



INTERIM EVALUATION OF DFID'S REGIONAL ASSISTANCE PROGRAMME (RAP) FOR LATIN AMERICA

FINAL DRAFT
31 JAN 2007

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The authors would like to express their thanks to all of those who helped organise their field visits, in particular: Stewart Mills, Carmen Aida Pennington, Adela Rivera, Mary Thompson and Erick Zeballos in Washington; Miranda Munro, Ernest Jaeger and Ana Carla Nascimento and the rest of the team in Brazil Alejandra Pasos, Cecilia Estrada, Martin Johnston and the rest of the team in Nicaragua; and Javier Castro, Emma Morley, Adam Behrendt and the rest of the Andes Staff in Bolivia and Peru. Additional thanks for Rob Hearn and Saul Morris for organising meetings in London and compiling the supporting documents. They thank all interview participants for their time.

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Acronym list

AIDS – Acquired Immune-Deficiency Syndrome
BNDS – Brazilian Economic and Social Development Bank
BRICs – Brazil, Russia, India and China (dynamic Middle Income Countries)
CAF – Corporación Andina de Fomento
CENPROMYPE – Centre for the Promotion of Micro and Small Enterprise in Central America
CCTs – Conditional Cash Transfers
CSOs – Civil Society Organisations
DFID – Department for International Development
ECLAC – Economic Commission for Latin America and the Caribbean
GoB – Government of Brazil
GoN – Government of Nicaragua
HIV – Human Immune-Deficiency Virus
IDB – Inter-American Development Bank
IFIs – International Financial Institutions
ILO – International Labour Organization
INGOs – International Non-Governmental Organisations
LICS – Low Income Countries
MGD – Millennium Development Goals
MICs – Middle Income Countries
NGO – Non-Governmental Organisation
ODI – Overseas Development Institute
PAR – Programa de Aprendizaje Regional
PEMCE – Promotion of Equity through Pro-Poor Growth (Nicaragua)
PPA – Programme Partnership Agreement
PSTAC – Public Sector Technical Assistance Credit (Nicaragua)
RAP – Regional Assistance Plan
RUTA – Regional Unit for Technical Assistance (Central America)
SMEs – Small and Medium Sized Enterprises
UN – United Nations
UNDP – United Nations Development Programme
UNIFEM – United Nations Development Fund for Women
TOR – Terms of Reference
WWF – World Wildlife Foundation

Executive summary

This report contains the findings and recommendations of an Interim Evaluation of the three-year Latin America Regional Assistance Plan (RAP) whose implementation began in the early months of 2005. The evaluation is based on field visits to Washington, DC, and the regional offices of DFID carried out in late 2006, as well as documentary analysis and interviews undertaken previously in London. **The findings are set out in the report in the form of responses to the five sets of questions contained in the evaluation's Terms of Reference.** The same sequence is followed in this summary. [§§ 1-7]

A continued role for DFID in Latin America is important both for DFID and for the region. The challenges and opportunities set out in the RAP have lost none of their relevance. The work programme under way in Latin America is highly consistent with the priorities set out in the 2006 White Paper on International Development. The region is a rich source of innovation in development policy, and DFID has established a reputation for contributing a distinctive perspective and approach to the region's policy debates. [§§ 8-11]

DFID is doing good programme work in Latin America, and has overcome serious challenges in adapting to a regional programme in a relatively short period of time. However, the RAP's structure and content bear the marks of the painful process of contraction that produced it. It has more objectives and instruments than would have been suggested by a cooler and less fraught design process. It lacks a proper monitoring and evaluation framework, and was not based on a thorough institutional analysis of the International Financial Institutions (Inter-American Development Bank and the World Bank) which are central to its approach. The closure of bilateral programmes in several countries, which the RAP implied, caused significant diplomatic and reputational damage, whose consequences staff had to work hard to overcome. On the whole, partners in the region have little or no grasp of what the RAP is. [§§ 12-40]

DFID is regarded by its partners as a donor that plays well its chosen role of catalyst of change. However, **it is not currently maximising the value of its partnerships because insufficient connections are being made between the different parts of the RAP's rather complicated structure.** [§§ 41-47]

This is not a simple problem of doing too much. DFID is addressing an appropriate number of themes in Latin America. Partial exceptions to this are provided by the trade area and the aid harmonisation and alignment agenda, which seem relevant in very different degrees and ways across Latin America. It is also suggested that the perceived importance of governance and trade concerns in the hierarchy of RAP threatens to squeeze out areas of work such as social inclusion and HIV/AIDS which are recognised as DFID strengths. If the White Paper's focus on climate change were to be incorporated in a substantial way into RAP programming, this could pose difficulties for other themes and objectives. [§§ 48-52]

The principal problem is that the RAP has an unnecessarily complex architecture to achieve its three primary objectives. That is, it has too many instruments, given that both advisers and possible partners are limited in number. This seems to be one of the factors behind the widespread feeling that the programme as a whole is not joined up, with the effect that there is little awareness between parts of the programme as to ongoing work in other sub-sections. There is little awareness between DFID offices, and between the IFI offices in Washington and DFID staff in the region, of programming that would be of mutual interest. While there are some relatively simple communication problems that could be addressed, simplifying the architecture would have important benefits, allowing advisers to focus on a few main tasks and give more attention to linkages. [§§ 53-60]

There are not very many options for simplifying the architecture at this stage. One of the principal sources of complexity is the division of the funding for the two major areas of engagement with the IFIs between Washington-based Trust Funds and decentralised funds held in the sub-regional offices. This contributes substantially to the sense that the programme is not joined up, but cannot be changed during the RAP period. A more feasible option would be to

change the status of Objective 2 (“improved donor harmonisation in support of government-led poverty reduction strategies”) and merge the associated funding stream into other programmes. [§§ 61-63]

There is, nonetheless, scope for perfecting the mechanisms currently used to deliver influence on the IFIs. The emphasis placed on influencing the big players in the region seems correct. **We see credible evidence of positive influence on both the IDB and the World Bank, but it is uneven.** [§§ 64-65]

The Trust Funds are now delivering projects that are consistent with DFID objectives. However, there is a widespread view that DFID could and should be providing more guidance as to how it would like to see funding allocated. There also needs to be continuing attention to the effects of locating the Trust Funds in particular sections of the two IFIs, particularly at a moment when one of the IFIs, the IDB, is embarking on a major reorganisation. [§§ 66-69]

It is a positive feature of the RAP that DFID’s efforts to influence the way the IFIs do business does not rest solely on the Trust Funds. **Decentralised funds are being used to good effect in support of the influencing agenda**, both by directly facilitating activities that the IFIs would not otherwise be able to do (such as joint country analytical work) and by various indirect means based on engaging with other partners and thereby altering the context in which the IFIs operate. There have been important successes with these ways of working. They depend more on human than financial resources, although the right kind of funding plays a part. [§§ 70-78]

However, the idea of “influencing” partners requires rethinking, or at least restatement. At present, there are barriers to disseminating the lessons of these significant experiences and even to recording them for the purposes of monitoring and evaluation. DFID staff feel uneasy about speaking about the influencing agenda, afraid of causing offence, particularly where indirect influence is being claimed. The solution may be as easy as finding phrases to put into standard use that have fewer connotations of manipulation or subterfuge. [§§ 79-81]

The relation between regional working and country programmes remains a difficulty in the RAP. It may not be possible to do effective work in the sub-regions of Latin America without at least a “foot on the ground” in certain countries. Current multi-country initiatives that are working well are all drawing quite heavily on the experience and relationships established in pre-RAP regional or bilateral activities. At the same time, what is meant by regional working is unclear across the programme, with the Heads of Office and staff in the three sub-regions approaching this task in different ways. [§§ 82-87]

Innovation followed by scaling-up is an appropriate method of working, applicable to several areas of current work. Despite the difficulties posed by the architecture of the RAP, the method of innovating to scale up is beginning to reveal a strong potential. [§§ 88-89]

DFID staff and consultants are universally considered to be excellent, and their contributions and technical expertise are highly valued by partners in the region. **However, staffing is at a bare minimum.** The high level of staff turnover, particularly in London, has exacerbated this problem, reducing the consistency of the programme, weakening institutional memory and impacting negatively on some partnerships. Communications across the Latin America team appear good in some respects and weak in others. [§§ 90-95]

Funding levels are already low in view of the ambitious objectives of the programme. The DFID staff achieve their primary successes by working very intensively with partners, employing funds that are small but flexible. This delivers results at low financial cost. **However, even with this model, funding probably cannot be reduced any further without halting the progress that has been made.** More interaction with the PPA NGOs seems desirable, but this is not a route by which to extend DFID’s reach with the same resources [§§ 96-98]

The RAP has not devoted adequate resources to monitoring and evaluation. Although this calls for staff time, which is in short supply, the development of the RAP logframe and adoption of an appropriate set of information-recording arrangements would pay dividends, both for current learning and dissemination and to facilitate a proper terminal evaluation. [§§ 99-100]

DFID has been doing very much what it said it would do, as measured by the milestones listed in the Integrated Logical Framework. Progress on the achievement of the milestones is good, and better than the initial document review indicated. However, the milestones are Activity-level indicators in conventional logframe terms. For this reason, there is a continued sense that achievement of the milestones does not guarantee achievement of objectives of the RAP. For this, a monitoring effort focused on the Outputs listed under the four component objectives would be necessary. [§§ 101-105]

The engagement of the Latin America team with the IFIs has so far contributed only modestly to DFID's overall influencing effort. However, the potential for LAD to contribute with IFID to the restructuring of the IDB has increased considerably thanks to the Realignment proposals of President Moreno. The Latin America programme has currently unexploited potential to contribute to DFID thinking in other areas too. [§§ 106-112]

In conclusion, some small changes could be made to the conduct of the RAP that would have disproportionate benefits. These changes should be accompanied as far as possible with increased encouragement to committed staff to remain with the Latin America team, and with strengthened dissemination and advocacy on behalf of the programme, drawing attention to how much it has achieved with extremely limited inputs. [§§ 113-127]

DFID should proceed with any more substantial changes to the RAP with great care. There is a value in being flexible to capitalise on strategic opportunities. However in order to avoid creating a renewed impression of fickleness and short-termism, any further changes to the RAP should be undertaken with a minimum of fanfare. [§ 128]

INTRODUCTION: THE EVALUATION AND THIS REPORT

1. This is the report of an Interim Evaluation of DFID's Latin America Regional Assistance Plan (RAP) 2004-2007. The evaluation was undertaken 18-20 months into the implementation of the RAP and is intended to inform programme implementation during the remainder of the 3-year implementation period.

2. The report is based on field work carried out in London, Washington, Managua, Bolivia, Peru and Brazil in November and December 2006. In addition, it draws on a lengthy document review undertaken prior to the field visits, and phone interviews with relevant stakeholders in other countries. The report is organised to answer the five primary questions, and related the sub-questions, posed in the Terms of Reference for the evaluation. These questions are:

- 1) Was the regional programme adequately formulated?
- 2) Is the approach embodied in the RAP relevant to the needs of the region and likely to lead to real impacts?
- 3) Is the regional programme adequately resourced?
- 4) Is DFID doing what it said it would do?
- 5) Has the work of the Latin American team influenced wider DFID thinking?

3. At DFID's request, the team collected evidence to answer these questions in two stages. Before the field work, a large amount of time was spent reviewing documents related to the milestones set out in the logical framework DFID had provided. This exercise provided most but not all of the answers to Question 4 (is DFID doing what it said it would do?) while providing background for the interview work.

4. The document review was followed by a set of field visits to Washington, Managua, La Paz, Santa Cruz, Lima and Brasilia where the team undertook a mix of structured and unstructured interviews (based on the knowledge of the interview candidate on DFID's strategic priorities in the region). Participants were exceptionally forthcoming in sharing their experiences, opinions and suggestions about the RAP and its component programmes. Findings from the different field visits were then triangulated and compared to ensure that a fully fledged picture of the RAP emerged. This report is largely based on the syntheses of the interviews that were completed, complemented where necessary by the documentation that the team received from DFID London and the field offices or IFI offices.

5. The main sections of the report deal sequentially with the questions posed in the TOR. Our findings include a number of strong themes which cut across the questions posed by the Terms of Reference. We have handled this by developing these arguments step by step, and making appropriate references forward and backward between the main sections.

6. The team collected large amounts of information in the regional offices and in Washington about various ongoing activities, and have had to select just a few to highlight in the main text. Examples of good practices and promising activities supported by the Trust Funds or Decentralised Funds are placed in text boxes or offered as Case Studies throughout the text. One of the larger boxes suggests some ways in which to improve the programme's monitoring and learning.

7. The concluding section provides the team's suggestions about how the RAP might evolve during the second period of its implementation. The appendices provide a full list of interviewees; a sample questionnaire and a matrix of progress against milestones. Concise reports on each field visit, providing information and analysis that could not be included in the main report, are available separately.

1 WAS THE REGIONAL PROGRAMME ADEQUATELY FORMULATED?

Problem and risk analysis

8. ***The problems and risks set out in the RAP are still relevant and appropriate.*** Poverty levels in the region remain high and persistent, exacerbated by high levels of inequality and social exclusion. Governance remains a key challenge and there is much work to be done on improving governance and political systems to make them more inclusive and effective, so that better use is made of the region's very significant financial and human resources.

9. ***In some respects recent events have increased the relevance of the RAP's main themes.*** The results of the widespread and highly contested Latin American elections of 2005 and 2006 have presented DFID and its partners with new opportunities and challenges. Many of the new presidents' electoral platforms were strongly oriented towards poverty alleviation, inequality and social exclusion. This creates an environment in which DFID goals have a new resonance and new ways of connecting with national agendas. On the other hand, there have been changes in the salience of trade policy issues the region. Governments in the region have lost some of their appetite for discussion of trade options as a number of trade agreements as well as the Doha Development Round of the WTO have gone off track. This changes somewhat the setting for DFID's work on trade.

10. ***DFID brings an unusual perspective on poverty, inequality and social exclusion to the region.*** Its expertise, policy frameworks and methods are welcomed and appreciated almost universally throughout the region. The recent White Paper, *Making Governance Work for the Poor*, situates DFID well to continue making a special, even if financially modest contribution to developments in the region.

11. ***It also remains the case that there are strong benefits to DFID corporately from maintaining its engagement in Latin America.*** The region is a rich source of innovation in development policy, because many governments have well trained staff and a relatively developed capacity to undertake policy initiatives. Conditional cash transfers are one example of Latin American development policy which has been seen as widely applicable in other parts of the world. Latin American innovations in governance, such as participatory budgeting, have been a universal reference point during the last decade. As shown in the rest of this report, Latin America also has much to teach the rest of DFID about ways of working effectively with aid.

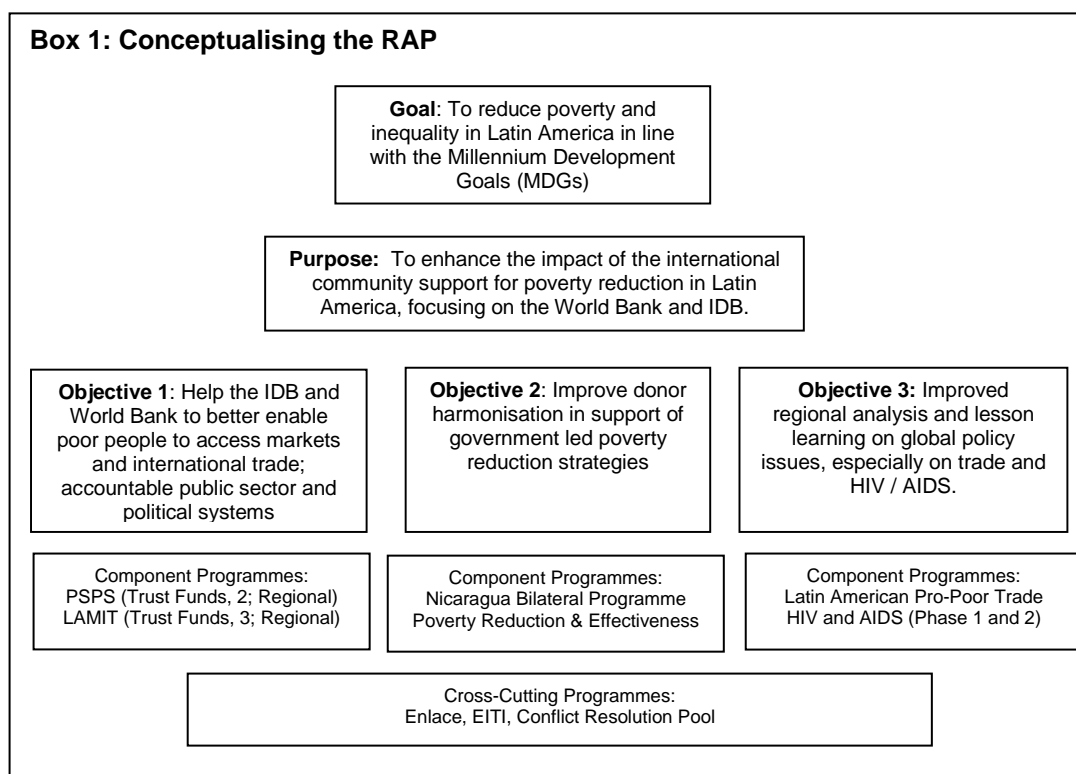
Structure of the RAP

12. ***The RAP's structure would be hard to understand outside the particular context in which it was put together.*** The component objectives are largely consistent with the RAP's purpose of enhancing the impact of the international community in Latin America. However, there is a degree of complexity at the level of objectives and especially the level of component programmes that would very likely not have been present had the origins of the plan been different. Box 1 summarises the RAP and its main component parts. This diagram does not capture entirely the range of subordinate objectives and activities contained in the text of the plan.

13. The RAP was designed in the context of DFID's decision to close the large majority of Latin America Department's bilateral assistance programmes – a process which was exceptionally difficult from a political/diplomatic standpoint and had a significant impact on DFID staff in the region. The decision was a consequence of other major shifts in DFID policy, such as the introduction of the 90/10 division of total spending between Low Income Countries (LICs) and Middle Income Countries (MICs), and the (largely unstated) imperative to allocate substantial resources from the MIC allocation to Iraqi reconstruction.

14. These decisions by DFID's senior management imposed severe constraints on what could be done. They also set the scene for a difficult change process in which the defending the best

parts of the existing programme and avoiding damage to key partnerships played an important part, along with ministerial interests and other directly political concerns. ***It is not surprising if, in these circumstances, a programme was generated whose architecture was more complicated than a cold exercise in strategic planning would have suggested.***



15. ***Both internally and externally, the RAP had to include compromises and attempts to appease those who were disappointed with the decision to cut large parts of the programme.*** Internally, some staff lobbied successfully to maintain elements of the bilateral work in new forms and to see their priorities reflected in DFID corporate strategy. Externally, partners like UK-based non-governmental organisations (NGOs) received money to work in Latin America through the Partnership Programme Agreement (PPA). This is generally understood as a way of off-setting their concerns about the down-scaling of DFID work in Latin America.

16. The complexities introduced in these ways relate more to the component programme level and some of the detail contained in the RAP document. ***In general, the component objectives appear well chosen in relation to the Purpose.***

17. A possible exception is the aid harmonisation and alignment content of Objective 2. Aid dependency and lack of country policy ownership are specific to particular countries falling below or close to the LIC/MIC divide. They are not characteristics of the region as a whole. On this basis, one could question the relevance of Objective 2 – except as a general principle or way of working applicable in all types of country (work through country policy processes and with partners). Objective 3, which focuses on exchange and dissemination of experience between countries, has been least emphasised in practice until now, and more in the HIV/AIDS than in the trade area, so it appears sound in principle but remains largely untested. In the case of trade, it seems increasingly relevant to think of exchange of experience as concentrating on the LAMIT sub-theme of access to markets for the poor.

18. ***The relative complexity of the architecture of the RAP, although understandable, is regrettable.*** Various negative consequences have become apparent as the plan has been operationalised and implemented. In a number of areas, corrective actions appear to be desirable or have already been taken *de facto*. Since this argument is largely based on experience in implementation, it is taken up in the next main section.

Provision for monitoring and evaluation

19. ***The RAP did not provide sufficiently for monitoring and evaluation.*** In other words, mechanisms were not put in place to permit a formal process of learning from experience and making timely adjustments – which is not to say there has not been learning and adjustment on less formal levels.

20. For reasons we understand, the RAP's Integrated Logical Framework was constructed ex-post and not fully fleshed out. Outputs and corresponding Objectively Verifiable Indicators and Risks are specified for each of the three Component Objectives. These are generally consistent with each other. However, the column normally used for Means of Verification gives instead Milestones to End 2006, and these largely involve the completion of agreed Activities (3 meetings of coordinating group held, etc.). We understand this was intended to facilitate the present interim evaluation. It has indeed allowed us to provide straightforward answers to Question 4 ("Has DFID done what it said it would do?"). However, ***for the purposes of internal learning, as well as for an eventual terminal evaluation, an exclusive focus on Activity-level milestones has serious limitations.*** A RAP should be provided with means of tracking the delivery of the plan's Outputs, keeping a close eye on the Risks and Assumptions that have been considered important to eventual achievement of its Purpose.

21. At the outset of the RAP, not only was there no logframe, but according to our information, no arrangements were put in place to document systematically the implementation of the plan. ***A particular problem – since this is a key element in the RAP – is the lack of any arrangements for collecting and analysing information on the process of influence on the IFIs.*** This will make it difficult for Latin America Department to judge whether DFID is moving towards the accomplishment of Objective 1. It will also make it difficult to extract relevant lessons from this experience and disseminate them to the rest of DFID and partners. This will remain a problem even if attention is given to the problem discussed in the next section concerning the way "influencing" is currently conceptualised.

Adequacy of the institutional analysis

22. ***The institutional analysis that served to formulate the partnerships with the IFIs in the RAP was neither thorough nor realistic.*** This has not so far created insurmountable problems. However, some major question marks have been placed over some aspects of Objective 1.

23. There was insufficient nuance in the design of the RAP about the different organisational cultures between the Inter-American Development Bank and World Bank and their respective receptivity to the "change" element implicit in Objective 1 of the RAP. The design of the RAP did not take sufficient account of two things in particular: the relationship between the two institutions; and the different cultures in each institution.

24. ***First, there was not a clear enough understanding of the relationship between these two institutions, and the general level of distrust and competition which marks their relationship.*** Within the strand paper addressing Output 1 ("Strategic Institutional Processes and Development Effectiveness") there is a discussion of supporting dialogue between the IFIs and promoting good practice on harmonisation. But this overlooks the fact that the two banks compete for lending in the region, and they are therefore disinclined to work together on projects whose ultimate aim is a loan.

25. Interviewees were very frank about this problem, admitting that there is more scope for coordination on "knowledge" products. However, there is also an underlying tension about which Bank initiates and "owns" ideas. This tendency has been exacerbated by the increased competition from private financial sources as Latin American countries have increased their perceived creditworthiness, and the growth of other regional banks. This reality makes DFID efforts to encourage dialogue and harmonisation difficult to achieve, and vulnerable to lip service of coordination without substance.

26. Second, within the RAP documents, there appears to be ***a weak understanding about the cultures and organisational structures of the two institutions and the potential implications***

of these differences for the ways in which DFID should engage them. The World Bank's Latin America work is strongly grounded in its offices in the region, which drive the operational priorities for the country. The IDB has been (at least until the current Realignment) highly centralised, with regional offices playing a technical role (processing loans).

27. With a stronger appreciation of these points, some of the decisions about relations with the IFIs – for example in respect of the Trust Funds which are considered an important instrument for Objective 1 – might have gone a different way. The structure of the World Bank might have made it sensible to consider locating the World Bank Trust Funds closer to the ongoing programme work. It appears that their location in Washington has led to the politicisation of the funds amongst different research and operational departments, and has in practice decreased access to the grants for World Bank offices in the region.

28. **Sensitivity to the internal workings of the World Bank could also have improved the process by which the Trust Fund agreements were concluded.** The way the Objective 1 of the RAP was presented to IFI partners at the outset resulted in some diplomatic problems which hampered the creation of the Trust Fund at the World Bank in particular. Interviewees in Washington felt that DFID's initial presentation of the RAP suggested that their current modes of working were flawed. They continue to be highly sceptical about the ability of relatively small trust funds to fundamentally change the way the Bank approaches issues, such as trade and governance. A more exploratory initial approach, to seek out areas of common interest rather than explain a fully formed approach might have assisted relationships and produced a better final result.

29. We found signs of similar scepticism in the IDB but, given the strictly hierarchical nature of the organisation, there is less inclination to express this feeling openly. Because of the ongoing restructuring process within the institution, there is also more tendency to accept that the IDB does require changing the way that it does business.

30. **The IDB Re-alignment could not have been anticipated, but now presents important challenges for DFID, and opportunities that should not be missed.** On the one hand, the re-alignment will give IDB country offices more power vis à vis Washington and this will eventually have implications on the relevance of Washington-based Trust Funds and secondees. On the other hand, IDB country offices will now require greater technical expertise. If DFID contributes to this (directly or indirectly), the result could be a much improved capacity to influence the way the IDB works. Some opportunities are already appearing: in Peru, where the IDB has asked DFID for assistance in managing the changes that will take place as a direct consequence of re-alignment.

31. A final issue regarding the adequacy of the RAP's institutional analysis concerns the degree to which influencing the big players has focused collaboration on the two big IFIs. For the record, we note that there is a feeling amongst some other agencies that they were overlooked as potential partners.¹ The RAP's institutional assessment may well have been right in not spreading its major efforts more widely. The case of the European Commission, another major development actor in the region, is different. The RAP states – realistically in view of the scale of the programme – that LAD will engage with the EC primarily through the work of DFID's International Division. However, it does not appear that significant collaboration with EU Department has materialised – in contrast to the case of IFID. Both in London and in the regional offices,

¹ Some UN agencies, in particular the Economic Commission for Latin America and the Caribbean (ECLAC) and the United Nations Development Programme (UNDP), expressed the feeling that their expertise and reputation in the region (for non-orthodox approaches to economics, poverty and human development) could have complemented DFID's objectives in the region more precisely than the World Bank and IDB. The International Labour Office (ILO) in Brazil expressed a similar view. There is also a feeling among DFID partners and consultants in the Andes that the Corporación Andina de Fomento (CAF) and the Brazilian Economic and Social Development Bank (BNDS) should have been (or could be in the future) considered as primary regional partners for DFID. The CAF's mandate now extends beyond the Andean region, and the institution is growing at around 20% a year. The CAF also reportedly has an increased interest in inequality, and enjoys the respect of national governments in the region who appreciate their efficiency. It should be mentioned that governance work under the RAP does involve significant collaborations with UNDP.

information about the funds that DFID channels through the EC is not readily available. In this respect, the institutional analysis was probably sound but the RAP was unrealistic about the number of large players that it could feasibly engage with given its resourcing.

Managing the transition

32. *The transition to a regional programme was marked by significant diplomatic and operational problems, which had a negative impact on DFID's reputation that staff have worked hard to overcome.* All regional offices reported that they made extensive efforts to communicate the change in strategy in a thorough way and with sufficient dialogue. However, partners have mixed opinions about how well the change was communicated. In Brazil, there remains a widely held belief that DFID withdrew their bilateral assistance primarily because of the Iraq war, despite efforts to explain how the changes were related to the Middle Income Strategy and the new 90/10 funding split.

33. *The most problematic aspects of the communication of the closures arose in relations with governments whose bilateral assistance was cut.* In Peru, DFID partners found it difficult to understand the move. In Peru DFID's presence has certainly been missed, as its role had often been to create a space for the discussion of issues that were otherwise excluded from the policy debate. In Bolivia, the staff has been able to alleviate the negative impacts to some extent by the extension, until the end of 2006, of some of the bilateral programmes.

34. The Brazilian government was "surprised" about the closure of the bilateral programme, as the amount of bilateral assistance had been assumed to be growing until just before the closure. The announcement led to a meeting between the minister in charge of the Agency for Bilateral Cooperation and the DFID Latin America Division Director in London to negotiate the terms and timing of the closure, with the result that a number of programmes were phased out more slowly (some completed only in 2006). The negative impact of the closure of the Brazilian bilateral programme was also cushioned by the fact that it fitted with the government's priorities to gradually evolve towards being a donor of foreign assistance, rather than a recipient of aid.

35. We did not interview government officials in Honduras. The closure of the office in Tegucigalpa is strongly regretted by other important local partners such as the NGO Trôcaire for reasons similar to those given in Peru. However, this initial negative impact is reduced by the range of sub-regional activities coordinated out of the Managua office, and the particularly important role in these activities of sharing issues and experiences between Nicaragua and Honduras.

36. *Strategies have been put in place to mitigate the negative impacts of the transition.* DFID Brazil, for example, has been able to identify ways of working closely with government divisions with which they share common goals, despite the closure of the bilateral programme. It has developed more complex relations with the national government (see Box 2 on DFID Brazil's efforts to support newly created Secretariats on Race and Gender issues in 2003 and beyond). In Bolivia, the absence of a bilateral programme has made a close relationship more difficult to sustain – in part because DFID has had to be careful about not building up expectations with the government.

Box 2: The Special Secretariats for Racial and Gender Equality, Brazil

DFID Brazil capitalised on the new priorities of the first administration of President Luis Inácio da Silva (Lula) in 2003 by working with two new secretariats that the government created: gender and racial equality. The purpose of the Secretariats was to mainstream issues of gender and race into broader government policy and raise awareness about the situation of these groups in the country. Given complementary interests in social exclusion, equality and access to markets and government, DFID Brazil has developed strong and collaborative relationships. It supported a 5 year programme (later reduced to 3) with the Special Secretariat for Women, UNIFEM and other Brazilian partners to gather national level data on the condition of women in Brazil. DFID Brazil has also supported work programmes on institutional racism with the Special Secretariat on Racial Equality, and has recently helped to organise conferences on affirmative action and with South-South lesson learning.

37. ***There will be two challenges for the RAP in moving forward from the current position.*** One will be to ensure that DFID's reputation in those countries where a regional office is located without a bilateral programme does not suffer. The second will be to find imaginative ways of maintaining adequate links with countries where regional offices are not located. It may also be worth identifying countries whose domestic politics strongly influence other players in the region (e.g. Venezuela or Mexico), and making special efforts to engage with the government or other relevant actors in those countries as a way of affecting broader changes in the region.

Regional approach: a shared vision?

38. ***There is little common understanding of what a regional approach applies amongst DFID's key partners.*** More is said about the lack of shared understanding about the concept of regional assistance between the field offices below. Here we just note that comprehension of the RAP amongst DFID's key partners in Latin America is quite low. Most have not heard of, and certainly not read, the document. This includes many senior staff in the IFIs. In view of this general lack of knowledge about the RAP, it is not surprising that there is no common conception of the regional nature of the programme, or a sufficient understanding of how its different elements are expected to work together.

39. ***Some CSOs, notably the PPA-supported NGOs, are more aware of the RAP and its objectives, but they are not clear about their role in it.*** PPA NGOs consider that the degree of engagement with DFID is insufficient. They recognise that there is a difficult balance to strike in view of the requirement that DFID's funding to them is managed in a "hands-off" way. Nonetheless, they consider that regular meetings are crucial to share information, ensure a positive and constructive collaboration and help bring a common understanding of the regional approach.

40. ***Staff of the British Embassies in Bolivia, Colombia and Peru suggested that closer relations with DFID would enable them to provide improved representation of DFID's interests in their countries*** – even without a specific DFID presence. However, this needs to be considered in the context of the sometimes very different corporate mandates of both institutions. In Colombia, for example, the British Embassy is focused on issues of security and anti-drug policies, which do not fit into the RAP or resonate strongly with the work undertaken by DFID. The Embassy in Brazil is also willing to collaborate extensively with DFID.

2 IS THE APPROACH EMBODIED IN THE RAP RELEVANT TO THE NEEDS OF THE REGION AND LIKELY TO LEAD TO REAL IMPACTS?

Perceptions of DFID's approach

41. **Generally, DFID has a very favourable reputation amongst its partners in Latin America.** Words used to describe the organisation include: “progressive,” “innovative,” “catalytic” and “flexible”. Almost all of those interviewed value DFID as a distinct voice amongst the bilateral donors, and appreciate not only the funding that DFID provides (particularly its flexibility) but also the technical expertise and willingness to engage in genuine partnership that DFID generally brings. There is an appreciation that DFID is at the cutting edge of development thinking.

42. This reputation is robust despite the significant losses that were incurred to DFID's image during the transition from the bilateral to the regional programme. Generally, DFID staff in the region have managed the repairing of relationships quite well, and are now working harmoniously again with their partners, albeit on terms which have still been difficult for both sides.

43. In Nicaragua, where both bilateral and sub-regional programmes benefit from a high level of continuity between the pre- and post-RAP periods, there are no substantial dents in DFID's reputation. Other bilaterals say that the DFID programme compares favourably with what they are able to do with much larger resources. DFID “is never just another voice in the chorus”. **Its distinctive role is based on a way of working that ensures its agenda has impact without imposition or micro-management.** Although stated most unreservedly in Nicaragua, this is a general theme of our interviews and an important evaluation finding.

44. We return below to the factors which, in the view of partners, underlie this distinctive quality of DFID's work. They relate to both staffing and the distribution of the funding envelope.

Are partnerships being maximised?

45. **Despite the encouraging evidence just summarised, the answer to this question is currently no.** The evidence we have brought together suggests that not all relationships are being maximised because there is insufficient connection between the component parts of the programme.

46. **The component parts of the RAP do not seem to fit together in practice to form an organic whole.** Partners sometimes seem to be working in “silos” and do not come together sufficiently, either across the region, or across the pieces of the RAP architecture. There seems to be a shortage of systematic lesson sharing and support between advisers, secondees and placements across the region. This diminishes the potential “multiplier effects” between different parts of the RAP. It seems to be one of the factors behind the already mentioned lack of familiarity with the RAP across the region.

47. One possibility that needs to be considered is that this situation arises from simply trying to do too much – that is, the number of themes and topics (governance, trade, HIV/AIDS etc.) is just too large. Another possible interpretation, for which we think there is clearer evidence, is that the problem lies not so much with the themes but with the programme structure through which the work is being delivered. Deficiencies in communication practices play a part in the second interpretation.

Is the thematic emphasis right?

48. **DFID is addressing an appropriate number of themes in Latin America.** The substantive fields that get primary attention in the RAP are just two: improving access to markets and international trade, and improving public sector accountability and political systems. There are other sub-themes running through the document, such as the importance of focusing on social inclusion, and HIV and AIDS as a strategic priority. The emphasis placed on aid

harmonisation and supporting country strategy processes could be considered more methodological than substantive (on which more below). Excessive reach in this sense does not seem to be the main problem. There are, however, *some* concerns about thematic range

49. ***One is that in some parts of the region DFID is moving away from key topics to pursue themes which are locally perceived as less relevant, or less associated with DFID's specific strengths as an agency.*** The overall perception of partners and staff outside of Washington is that DFID's focus on governance and political systems is appropriate. There is less consistent support for the trade focus, as it stands. This is partly due to recent developments in the Latin American region with regard to trade, such as the breakdown of discussions on the Free Trade Agreement of the Americas, the breakdown of the Doha Development Round of the WTO and the decreasing importance of other regional trade agreements such as the Andean and Southern Cone trading blocks.

50. Within Washington, there is strong support for continued work on trade within the IDB. The Trust Fund and its corresponding secondees have been situated within the research department which works on trade issues, and this close connection has proved fruitful in terms of quickly identifying and approving projects which are closely related to the objectives of the Fund. On the other hand, we found that discussions about the trade focus tended to lead quickly into questions about what a "regional" approach entails. The most significant trade issues differ markedly across Latin America. The role of Brazil or Argentina in the WTO is a very different type of issue than the ideological local debate about the CAFTA treaty in Central America. Outside Central America, sub-regional integration initiatives do not have a one-to-one relationship with DFID's definition of sub-regions. ***In all these senses, there are questions about the operationalisation of trade as a regional theme.***

51. ***There is also reason to be concerned about the focus that is placed on these two broad areas vis-à-vis other topics on which DFID has worked and has an established reputation.*** The topic that is most important in this context is social inclusion. This is an area in which DFID has already done a great deal of good work in Latin America. In Peru, it was noted that DFID has left a void in this area that has not been filled by any other donor (see Box 3 on the "Right to Identity" programme in the Andes) on an issue that effectively linked the work on access to markets and international trade (LAMIT) and social exclusion. In Brazil, as noted earlier, significant efforts have been made to continue to engagement with the government and other partners on its activities on gender and race, fields in which DFID has substantial track record and a distinctive approach.

Box 3: Right to Identity, Peru

After the closure of the Peru office, the LAD and DFID funded a workshop with CEPAL where the Right to Identity approach was presented. This presentation included an economic argument: without an identity card, people cannot access services or the market. This presentation had a strong impact on the participants, and the workshop adopted the concept of Right to Identity. In February 2006, the IDB organised a DFID-funded workshop with the World Bank to address the Right to Identity in an effort to mainstream rights throughout the IDB. The event included the participation of staff from DFID Brazil and Central America – as well as advisers from London. Subsequently, the IDB adopted this idea in its "Reaching the Majority" strategy, the flagship programme of the bank's new President. DFID Central America is also providing funding to the IDB on Right to Identity projects.

52. The recently increased interest in climate change within the UK government may imply that the Latin American region, and the Brazil office in particular, needs to focus more on this issue as part of the BRICs agenda. In fact, the Brazil team has already hired a new staff member who will work on "markets and climate change", including helping to develop low-carbon technologies and helping to develop adaptation strategies for poor people. This seems a suitably measured response. If the White Paper's focus on climate change were to be incorporated in a more substantial way into RAP programming, this could pose difficulties for other themes and objectives.

Problems with the architecture

53. ***These issues apart, it seems clear that the RAP has an unnecessarily complex architecture.*** The implications of the architecture for the implementation and future success of the RAP are important and varied.

54. ***There is a general consensus that the RAP has more instruments than are necessary to address its primary objectives.*** To take one example, the trade objective is being executed through numerous pieces of the architecture: through both the Markets and Governance for Poverty Reduction (MGPR) Trust Fund and the Trade and the Poverty Trust Fund; through individual projects sponsored by the regional offices in support of making markets work for the poor (LAMIT); through work with local governments and bi-national development (PSPS); and through the new pro-poor trade programme (LAPT) being run out of London.

55. ***This would not necessarily be problematic in itself if these pieces were well linked and integrated so as to ensure complementarities and synchronisation, and avoid overlap.*** But systems of the sort that would ensure that this is case would require considerable staffing. Such systems are not in place, and communication appears informal and patchy, both between Washington and the regions, and amongst the regional offices.

56. For example, between Washington and the regions, there is not a clear strategy for how programme proposals initiated in country should be most effectively presented to the Trust Fund Technical Review Committees (TRC). There have been cases where the regional staff had raised partners' expectations that programmes would be funded by the trust funds, but the TRC subsequently rejected these proposals.

57. ***Part of the problem lies with the internal communications of the IFIs.*** Communication is weak between the Washington offices of the IFIs and their regional offices. IDB staff interviewed in Brazil were unaware of the trust funds, and World Bank staff in Bolivia and Peru had patchy knowledge of how to access resources from the Trust Funds to strengthen their work in the sub-regions. The World Bank staff in Brazil that were interviewed reported limited knowledge of the funds, despite the fact that three proposals have been submitted from that office to the trust funds, and several have been funded. However, some reports suggest that communication and connections across DFID offices are also not strongly developed. Country Heads of Office allegedly do not share their annual programme plans, and therefore have little way to know whether their programmes are overlapping or whether there could be synergies. If true, this seems a serious weakness, but it seems likely that it reflects in part the architectural complexity of the RAP.

58. ***There would be gains from improving communications between DFID and other parts of Whitehall, in particular, the FCO.*** In both Brazil and the Andean sub-region, there is potential for expanding and formalising relationships between the FCO and DFID. In Brazil, the Embassy and DFID office worked together to coordinate their agendas in response to the State Visit of President Lula in March 2006. However, this type of cooperation is not yet regularised, and there is still a need for a strategic framework that brings together all HMG departments working on Brazil. A first version has been developed by HMA and is under discussion. The FCO has a large GOF budget for Brazil and there are expectations that DFID will collaborate on this. While DFID's regional mandate is not easily explained to technical cooperation partners in other embassies, this is changing. In the Andes region there is a call from the embassies (at least in Peru and Colombia) for more engagement; including the suggestion that the Embassy should be viewed as a representative of DFID where it does not have an office. At first sight, this is attractive as a possible solution to the staffing limitations faced by DFID. However, crucial differences in agendas and priorities would have to be addressed.

59. Our overall impression is that communications between the different individuals and groups responsible for operationalising the RAP could be improved somewhat with greater effort, but that the problem is mainly structural. The staff of the Latin America programme are generally considered to be working at or beyond full capacity. ***This suggests that better communications and a more joined up programme require, above all, a less complicated programme architecture.***

60. An often-heard comment amongst staff in both London and the region is that because of its multiplicity of programmes and sub-programmes, the RAP is “hard to understand”, particularly for staff and partners who come to it for the first time. The range of instruments is said to exceed the number of possible partners. This not only makes partnerships more complicated to sustain, but also makes it more difficult to monitor progress towards objectives.

61. ***There are not many options for simplifying the RAP’s architecture at this stage.*** The splitting of the funding for the major thematic priorities between the Washington-based Trust Funds and the decentralised funds controlled by the regional offices – one of the principal sources of complexity – cannot be undone at this stage. Changes may be possible at the margin, but this is a matter of perfecting the operationalisation of the RAP IFI focus (see next sub-section) rather than of structural change.

62. ***The Latin America Regional Poverty Reduction and Aid Effectiveness Programme, the principal vehicle for advancing Objective 2, could contribute to a simplification of the architecture.*** We have already noted that the focus on aid effectiveness seems out of place in most of the region’s MICs. It is also arguable that it is not possible to contribute very much to building up country strategies for poverty and inequality reduction without a serious involvement in more than one country strategy process.

63. This obviously should not mean that DFID should give up its interest in country policy-making processes or in facilitating the IDB and World Bank to work through such processes. However, it may be more realistic to treat this as a principle of method, to be applied in pursuing Objective 1, rather than as needing a specific programmatic vehicle of its own. Alternatively or as well, learning about “what works” in getting inequality and poverty onto national policy agendas and then implemented could be treated as a governance topic and as a subject for exchange between countries, and between Latin America Department and other DFID regions, under Objective 3.

IFI influencing: a successful model, imperfectly operationalised

64. The focus on influencing the big players which is the central feature of the RAP is not in question. Moreover, ***we have seen credible evidence of positive influence on the two IFIs, even at this relatively early stage in RAP implementation.*** On the other hand, this gives an impression of being uneven. In Washington, DFID’s RAP-related influence seems greater at the IDB than at the World Bank. In the region, it seems more notable in the Andes and Central America than in Brazil. In general, influence on the in-country offices of the IDB is limited because of the role these play in the structure of the bank, but, as already noted, Realignment has already started to change this.

65. This unevenness is largely explained by the organisational structures of the partner institutions themselves. However, there are also a number of senses in which the IFI-influencing agenda of the RAP can be said to be imperfectly operationalised. This refers on the one hand to the set-up of the Trust Funds, and on the other to the important operations undertaken with decentralised funds within the sub-regions and the Nicaragua programme.

66. ***The Trust Funds are already providing significant support to work on topics that appear clearly relevant to DFID’s priorities,*** as illustrated by Boxes 4 and 5 on the two IDB funds, and Case Study 1. The impacts of these funds will need to be assessed at a later stage. On the other hand, the set-up of the Trust Funds is subject to a number of frequent criticisms.

Box 4: Selected Projects under the IDB Markets and Governance for Poverty Reduction Fund

- *South American Microfinance Distance Learning Programme* – To increase capacity of microfinance institutions and to integrate them to national financial markets: Nicaragua, Bolivia and Brazil, \$170K
- *Better Budgets for Enhanced Access to Justice (WB / IDB)* – To apply public sector management techniques to budgets of justice institutions in order to increase accountability, transparency and access to justice: Venezuela, Bolivia, Ecuador and Peru, \$200K
- *Poverty and Social Impact Assessments to Support Evidence-Based Policy Dialogue (WB / IDB)* – To support ongoing poverty and social impact analysis work in Mexico, \$130K
- *Education Quality and Secondary Education* – To improve access to lower secondary education in Guatemala, \$128K
- *Community-based Crime and Violence Prevention in Central America* – To support the integration of crime and violence issues into analytical work for ongoing investment lending in Honduras, \$195K

67. ***One is that the rules governing the eligible topics are too loose.*** At the IDB, there is some feeling that there is potentially a high degree of overlap between the fund supported by the LAMIT Programme and the one supported by PSPS – and that, furthermore, the PSPS-supported governance fund is so broadly defined that any reasonably intelligent person could demonstrate that their project contains a governance element and is therefore eligible. Many working directly with the Trust Funds, such as those on the Technical Review Committees, felt that DFID should provide a stronger strategic steer as to where they would like their money allocated. While the legal agreements governing the Trust Funds make it impossible for them to be re-negotiated, there is some flexibility for DFID to make specific agreements about changes that do not affect the legal structure of the funds. The strand papers, which were designed to guide the trust fund spend, are not being utilised in Washington to the extent DFID might have intended. A fairly informal exchange of views, focusing on what was stated the strand papers, would be consistent with DFID's "light touch" approach. In the light of earlier experience, it would also be more likely to work.

Box 5: Selected Projects under the IDB Trade and Poverty Trust Fund

- *Studies to identify the obstacles to successful integration of the poor in export value chains* – Honduras and Nicaragua, \$87K
- *The social impact of successful export in SMEs in Latin America* – Argentina, Chile, Costa Rica and Colombia, \$59K
- *Assessment of the impact of trade liberalisation options on poverty with CGE models* - Andean Countries, \$137K

68. ***Another common criticism is that the locations of the Trust Funds within the structures of the two banks are not ideal.*** Although now subject to change because of Realignment, the location of the IDB Trade and Poverty Trust Fund appears to have been more conducive to impacts on Bank operations than that of the Markets and Governance Fund. The former has apparently also benefited from the influence of the DFID secondee located in the same area of the IDB structure. No equivalently close relationship has been able to develop between the other IDB secondee in Washington, linked to the ENLACE project, and the Markets and Governance Fund located in the SDS Department. At the World Bank, it is suggested that the Fund's location has contributed to problems of capture, with resulting obstacles wider access to its resources, particularly in the country offices.

69. These observations are important. However, they should not be allowed to obscure the major point made above, that the Trust-Fund activities have not yet shown clear evidence of coming together with the activities supported by the decentralised funds under LAMIT and PSPS.

CASE STUDY 1: SUCCESS STORY FROM THE MARKETS & GOVERNANCE TRUST FUND

This case study is based on and derived from materials prepared by the Inter-American Development Bank and the Trust Fund Team... We thank them for preparing it and making it available to the evaluation team.

During the inception period of the Markets and Governance for Poverty Trust Fund, the IDB funded a project entitled "Building Political Consensus for Fiscal Reform in Central America". The project had a total value of \$80,000, and despite this small budget was able to:

1. provide value added to existing literature in terms of the political feasibility of fiscal reform alternatives;
2. strengthen cooperation/synergies with the donor community in the area of participatory budgeting at the local level;
3. induce legislative projects aimed at enhancing tax/revenue collection (e.g. in El Salvador and Costa Rica) and improve the effectiveness of public expenditure (e.g. in Guatemala, El Salvador and Nicaragua);
4. raise awareness of the importance of better coordination/harmonisation of fiscal policies among Central American countries;
5. create synergies with other bilateral donors working on the same areas;
6. give predominance to fiscal issues in the IDB's country strategies.

The project helped to fund a consultant who was an expert on the political economy of fiscal reform and had extensive experience in working with international agencies and familiarity with Central America. There were experts in each of the countries of the region which supported the consultant assess the political feasibility of reform recommendations made by a number of bilateral and multilateral agencies since 2001. These results were presented to the executive and legislative branches of the governments in all five Central American countries, with good results.

It is worth highlighting the results in Honduras in particular, which responded most positively. President Manuel Zelaya requested three months field-based consultancy from the consultant to assist the newly elected government in designing a fiscal reform strategy. The analysis and dialogues that followed generated a strategy to reach agreement amongst economic and social actors through a series of social agreements. These will be completed in 2007, and will generate recommendations to achieve fiscal responsibility and help the government during its upcoming negotiations with the IMF.

70. ***It is a positive feature of the RAP that DFID's efforts to influence the way the IFIs do business does not rest solely on the Trust Funds.*** Work within the region is showing itself to be effective in this respect, in two different forms.

71. ***On the one hand, the DFID offices are working closely with IDB Country Coordinators (in Washington) and World Bank Country Directors (in countries).*** They are providing support to analytical work and Country Assistance Strategy processes, in some cases involving joint working between the IDB and the World Bank. This is the case in Central America, as well as Peru, Bolivia and Brazil, where DFID has supported dissemination of the *Virtuous Circles* report, Public Expenditure Reviews, PEFA assessments, Poverty Assessments and consultations around CASs. Smaller and more opportunistic support of World Bank and IDB initiatives in country has also yielded important effects. In the Andes, both the World Bank and the IDB reported being influenced by DFID's support. For example, the IDB in Bolivia (e.g. Right to Identity) and the World Bank in Peru (e.g. RECURSO; Case Study 3) offered examples of DFID support that allowed for improved consultation processes, greater dissemination of their analysis and expansion of their work into new areas. In Brazil, too, the DFID office has worked collaboratively with the World Bank on several studies and projects.

72. ***This form of direct influence on IFI operations may be contrasted with indirect forms of influence that are also proving important and valuable.*** Here, the causal chain runs from DFID activities with regional partners other than the IFIs to changes in in-country relationships

and institutions, and then back to the IFIs, who are compelled to change their behaviour because of changes in the country context. According to experience with the markets and trade agenda in Nicaragua, the sequence that works well is: 1) work with local partners; 2) work on the policy framework and public investment plans; and 3) assist the reshaping of IFI programmes. Intensive transactions are required, but the payoff is large. According to this source, the reverse sequence (attempting to change the policy ideas of the IFIs as a means of influencing what happens in the country) tends not to work. Case Study 2 provides details.

CASE STUDY 2: THE NICARAGUA PROMOTING EQUITY THROUGH PRO-POOR GROWTH PROGRAMME (PEMCE)

PEMCE is a component of the Nicaragua bilateral programme which began effective operation in March 2005. It contributes to the wider, sub-regional activities on pro-poor markets undertaken by DFID Central America under Output 2 of LAMIT.

The institutional obstacles to pro-poor growth in Nicaragua are particularly associated with the characteristics of three important groups of actors:

- the government;
- the donor community; and
- the micro, small and medium enterprise sector.

The government's weak capacity to operationalise its general strategy, the donors' inability to adopt a common approach and the fragility of the private-sector organisations has created an operating environment characterised by lack of trust, hostility, exclusion or cooptation. Public-private partnership is infrequent, and the business climate for small enterprise is difficult, which contributes to the stagnation in poverty reduction. Within this context, a particular challenge has been the limited focus on the small-scale and informal economy in the competitiveness work of the IFIs.

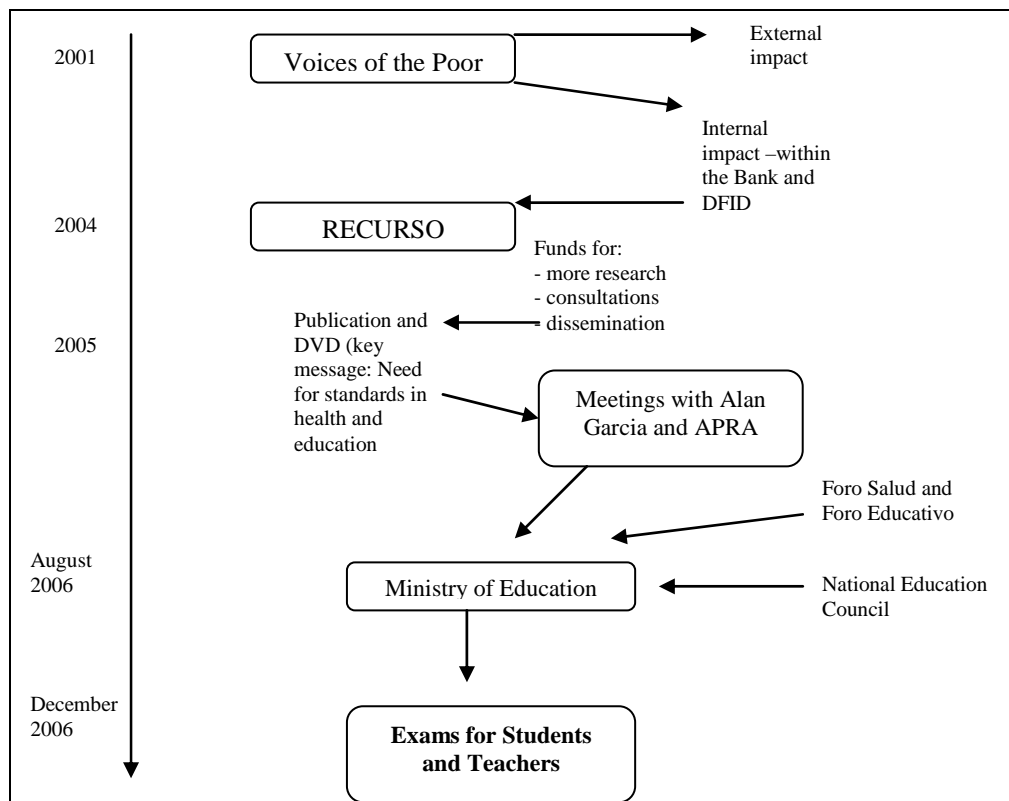
PEMCE has been helping to create conditions for a more constructive and effective interaction between government, donor agencies and the small-scale private sector. Its work with government – focused on the Presidential Commission for Competitiveness – has promoted more effective ways of working in coordination with public- and private-sector partners, including sector-by-sector problem identification and local approaches to improving the enabling environment. It stimulates the alignment of donors, including the IDB and the World Bank, around such ways of working. The private-sector organisations themselves – local, sectoral and umbrella bodies – have been assisted to work more effectively to get public-sector services and a supportive policy framework.

Noticeable improvements in the business climate have taken place within the last two years through this approach to improving multi-stakeholder relationships. By acting on the local institutional setting to improve public policies and create demonstration effects, the approach can turn around the behaviour of the bigger players. World Bank competitiveness work has in practice begun to take the small-scale sector seriously as a source of economic growth, a shift that might have been achieved much less easily by a direct intellectual challenge to its large-scale bias. While this supports the view that indirect pathways to influencing the IFIs can be the most powerful, advisers working with PEMCE are also interested in getting more synergies with the LAMIT trust funds at the World Bank and IDB.

73. ***Experience in the Andes also suggests that intensive working with partners in the region has significant potential as a means of operationalising Objective 1.*** While working to influence the intellectual paradigms that govern the IFIs is an important way to help ensure that governments in the region continue to place a strong emphasis on poverty reduction, inequality and social exclusion, an equally strong component of achieving this goal is to enable a bottom up approach to changing both government and IFI priorities (Case Study 3). Examples of successful projects at the local level are increasingly influencing the strategies that the IFIs are interested in encouraging at the national level. This is the approach that the PAR (described in Case Study 4) has adopted and is in the process of refining.

CASE STUDY 3: INFLUENCE IN THE ANDES

In 2001, DFID supported the World Bank's Voices of the Poor initiative in Peru, which was very successful and led to a fruitful working relationship. In 2004, the Bank created a new programme, RECURSO, to inform policies in Peru in the run up to the presidential elections. DFID provided resources and technical advice that expanded the remit of RECURSO to include a more thorough analysis of human development. The key outcome was an understanding of the need for standards; in particular in education and health. The Bank presented the outcomes to the various political parties, and a DVD was created for further dissemination. APRA, a Peruvian political party, was an early participant in the programme, and upon winning the elections, both the president and ministers were very receptive of the recommendations which were supported by civil society. This included recommendations on health and education (Foro Salud (funded by DFID) and Foro Educativo). A final outcome is the establishment of a baseline for students and teachers, which is enforced through testing.

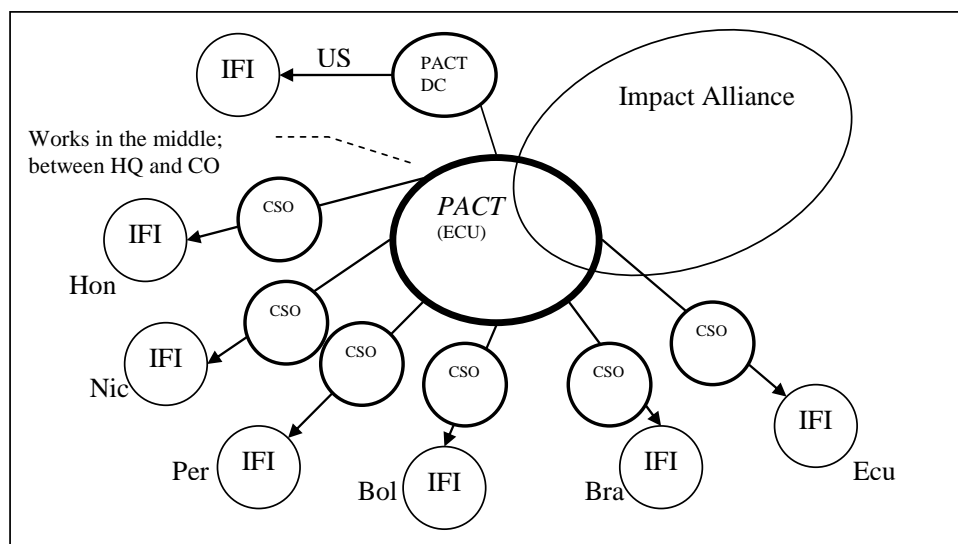


This case shows a process that began a long time ago and that DFID was able to follow; providing key inputs along the way (directly and indirectly through its partners). It is an example of how DFID's work with an IFI can have concrete effects on national policies and, potentially, development outcomes. The World Bank has now asked DFID for similar support to set out standards in the justice sector.

74. **Both the PAR and the work on political parties and poverty are examples of DFID-supported work that attempts to pool resources, knowledge and efforts to do more with less.** These initiatives have helped create networks and partnerships between important development actors in the region. This in turn creates new entry points for influence on the IFIs. For example, the PAR works with sub-national governments which are now recipients of loans from the IFIs. The PAR network and partners allow DFID to engage with the IFIs in Washington and in countries through local governments. The Political Parties and Poverty programme influences the IFIs through think tanks in Washington and by working with political elites in the region.

CASE STUDY 4: PROGRAMA DE APRENDIZAJE REGIONAL (PAR)

The PAR (Programa de Aprendizaje Regional) is one of the major achievements of the DFID Latin America programme. DFID has helped create a network that very effectively and innovatively links local activities and partners with regional ones. This in turn helps to create a platform which could eventually serve as the basis of a truly regional programme – building links with partners to work with and through, thus maximising the impact of DFID’s limited resources. The architecture of the PAR is based on the “Impact Alliance” (IA, a global network of civil society organisations which share experience and knowledge on sub-national governance). Using IA partners and DFID’s existing partners, the network now has the following structure (members in bold):



The network operates at many levels with the over all objective of influencing the IFIs: regionally (coordinated by Pact in Ecuador); nationally (for example, through local partners like CARE Peru and GNTP in Bolivia); locally (where GNTP works on the Bolivia/Brazil border); and multilaterally with the IFIs, DFID and others (in each country and in Washington). This multi-level reach has turned PAR into a Laboratory of Ideas where innovations are tested in the field (at the local and national level); they are then shared regionally and used to have an impact on multilateral actors. Although networks require a long term investment and support to become sustainable, there are already experiences of concrete success:

1. Support for the Nicaragua decentralisation plan, which was assisted by experts from partners from Brazil, and yielded a plan agreed by all relevant Nicaraguan stakeholders. The experience is now being shared with the Peruvian decentralisation process.
2. Scaling up of Amazonian Bolivia-Brazil programme in the Pantanal. An initial cooperation programme was implemented at the very local level between two municipalities of Bolivia and Brazil. Building on that experience, the State of Matto Grosso and the Department of Santa Cruz are seeking the assistance of GNTP to support larger bi-national development plans.
3. The PAR has also begun using the experience of some of its members (e.g. participatory budgets by Red Peru and CARE; and GNTP urban development programme) to help empower local governments through the Latin American federation of municipal governments (FLACMA). The objective of this process is that local governments have better access to IFI credit and can demand more suitable loans and programmes.

75. **Other successful experiences in changing IFI behaviour are of an intermediate kind.** Here, the role of DFID staff is to accompany the Bank task managers in their dealings with government and other country stakeholders, with the effect that they are encouraged to tackle

difficult issues that they would not have been able to confront on their own. A case of DFID “stiffening the resolve” of a partner in this kind of way is the World Bank institutional reform programme (PSTAC) in Nicaragua. DFID’s facilitation of agreement on a performance assessment matrix for Governance within the budget support group in Nicaragua is another example.

76. In this area as in others, DFID’s inputs do not need to be large if they are strategic. The World Bank in Bolivia considers that one of the interventions by DFID which will have a significant impact on the way the World Bank staff and government officials work and relate was a series of study tours under a Trust Fund set up during the bilateral programme. These tours, which cost US\$20,000 have helped create strong relations between the World Bank staff and the government officials who participated as well as changed the way that they approach key development and policy issues: they are more open to consultation, for example.

77. These successful mechanisms for influence depend more on human than on financial resources, although the right kind of funding plays a part. The expertise, knowledge and professionalism of DFID and the consultants that it hires in Latin America are universally valued in the region. In Central America, for example, one informant gave the view that there is no agency that makes more optimal use of its human resources than DFID. He considers that DFID’s impact far outweighs its financial power for two reasons. These are its adoption of international best practices in its general approach, and its confident use of very skilled locally-recruited staff.

78. These comments apply particularly to work on country policy processes, but the contribution of DFID-funded advisers is also highly appreciated within the IFIs. A number of the interviewees in Washington expressed the view that the World Bank would have made faster progress if it had had access to an in-house advisor funded by DFID of the kind available to the IDB in Washington and La Paz.

79. The most important imperfection in the operationalisation of Objective 1 is the lack of recording and dissemination these highlights of RAP implementation to partners and within DFID. The evaluation team had to extract these success stories like teeth. They do not jump from the pages of any documents we were given to read, and may not have been written down. This means that they are quite likely to disappear from the institutional memory before a final evaluation of the RAP takes place. It also implies that opportunities are being lost to underline the relevance of DFID’s Latin America, both within the region and across corporate DFID. The opportunities seem quite considerable, since much of the work on governance (e.g. on political parties and non-executive branches of the state) in Central America and the Andes are highly relevant to the themes of the 2006 White Paper. The Nicaraguan experience with governance monitoring is highly relevant in the context of the ups and downs of budget support in several African countries.

80. This weakness may reflect a general understaffing of communication and dissemination within the Department – not surprising given the tight ceilings on staff numbers already imposed. However, we have the strong impression that there is another, more easily corrected constraint. **Currently, it is difficult to explain the “influencing agenda” to non-DFID staff without offence or unease.** This applies to an important extent to the direct influence route. In Brazil, for example, World Bank staff is “uncomfortable” with this objective because the Brazilian government drives their priorities and programmes, which in turn makes it difficult for them to incorporate what one described as “pet themes from London”. But the problem is perhaps most serious in the case where it is claimed that the Banks have been obliged to change by indirect means, by altering the context in which they work. This can easily sound like subterfuge. Similarly, Bank task managers may react badly to being told that they have been encouraged by DFID to do the right thing.

81. The idea of “influencing” partners requires rethinking, or at least restatement. Changing this negative incentive to share successes could be as easy as coming up with a new vocabulary to use in discussing this objective. It could involve no more than rephrasing the objective as “accompanying IDB and the World Bank”, thereby “facilitating conditions in which they are better able to work for the poor”. This is consistent with the suggestion made to us by

Washington-based IDB staff, that DFID places the emphasis not on changing the behaviours of the IFIs, but on contributing to improving the spaces in which they work.

Regional working and country-level working

82. ***The relation between regional working and country programmes is one of the most problematic issues surrounding the RAP.*** As we have noted, there is a great deal of

Box 6: DFID Brazil Activities, Annual Plan 2006 - 2007

- Total number of activities planned: 14
- Total Budget: £646K
- Projects with a multi-country element: 5, with total budget of £178K (36%)
 - Comparative analysis of trade policy processes: Brazil, Mexico, Chile, Argentina, US and EU
 - Regional consultation on HIV and sex work
 - Policy dialogue on approaches for more effective design of poverty reduction programmes
 - LAC Congress on Women, Girls and Adolescents living with HIV and AIDS
 - Capacity building for anti-corruption strategies in Latin America

interesting and promising work going on in the RAP framework. This helps to confirm the validity of one of the RAP concepts, namely that it is realistic to think that small financial resources administered by excellent staff can have disproportionate effects. The examples we have just been giving also tell us how this can happen. The main mechanism is change in stakeholder relations, institutions and policy processes, achieved by constructing alliances and partnerships, and being strategically opportunistic.

83. ***The experience to date, however, suggests that it will be challenging to do effective regional work without a country base.*** The lines of work that seem most relevant and promising are

based on very hard work to sustain and adapt regional initiatives that in many cases pre-dated the RAP. They invariably make use of pre-RAP experience in bilateral programmes. Central American sub-regional work continues to draw heavily on the partnerships and experiences generated by the Nicaraguan country programme (see Box 7 for one example).

84. ***This will become more problematic as the last remaining elements of the bilateral programmes in Bolivia, Peru and Brazil are completed and are phased out*** (and potentially forgotten). A good proportion of the work being undertaken in the Andes office and in Brazil builds on the previous larger funding available through the bilateral programme for programme/field work; and, in fact, many of the stories of change or influence start in the bilateral period. It is unclear whether a sufficient foothold will continue to exist to uphold DFID's reputation at current levels once these projects fade from memory. The importance of maximising the

Box 7: How the Nicaragua programme feeds into Central American work on Pro-Poor Markets

Themes and activities of 2006/07 work plan:

A. Policy dialogue between IFIs and civil society on pro-poor market access

- CSO and private sector involvement in dissemination of Virtuous Circles report
- Analysis and knowledge management by RUTA, working alongside PEMCE (Nicaragua) and CENPROMYPE in network of small enterprises

B. Harmonisation of WB and IDB diagnostics and generation of innovative experiences

- Operationalising IDB Indigenous People's Strategy in field of small-scale enterprise
- Access to financial markets – Central American follow-up to Guatemala study suggesting unmet demand for formal credit among urban poor
- Study of SMEs to input to private sector Pillar of IDB El Salvador Country Strategy

C. Pro-poor regional economic integration

- Partnership with CENPROMYPE (a body of the Central American Integration System) and World Bank Institute to assess impact of Competitiveness Loans on SMEs – PEMCE (Nicaragua) providing the "software" – a network of dynamic small enterprise leaders with real-life experiences

potential of existing relations and partnerships that give DFID a “foot on the ground” can hardly be over-emphasised.

85. ***In more than one way, having a “foot on the ground” is crucial to ensure that DFID’s maintains its leverage on the IFIs and other key actors in the region.*** A foot on the ground does not mean, necessarily, a full fledged bilateral programme. Work like that funded by the PAR on bi-national development; or the work carried out by Marcelo Barron at the IDB on harmonisation and alignment; or the support provided by DFID to the IDB in its current consultation process are examples of hands on experiences that DFID can “sell” across the region.

86. ***This having been said, there are remaining problems in completing the transition from bilateral programmes to a genuinely regional approach.*** One difficulty is that the meaning of working “regionally” remains unclear. There is a lack of consistency across DFID’s offices in the region about what a regional approach implies, and how each office should be approaching the task. While Central America appears to be working relatively well as a sub-region, the concept of a sub-regional office for the Andes based in La Paz has posed significant difficulties. Given competing priorities, the Brazil office is perhaps least clear of which “regional” approach would be most fruitful. Some of the most successful multi-country initiatives such as the political parties work predate the RAP and arose from building links fairly opportunistically. This is all much affected by the fact that Latin America is not a homogenous region of countries of similar size with well defined sub-regions. On the other hand, the complicated architecture of the programme and lack of interaction between its parts is a significant factor undermining a more distinctly regional approach.

87. Table 1 brings together some of the more specific findings from the individual offices in the region.

Table 1: Summary of findings from regional offices

	Washington	Central America	Andes	Brazil
Quality of Programmes	High to Moderate - Individual trust fund projects are of high quality, but their aggregate effect is unclear. There is some suggestion that DFID “steer” the trust funds more or make criteria more specific.	High – Governance work, which has been continuously pursued since before the RAP, has both bilateral and sub-regional strands. Both have highly original features when compared with DFID programmes elsewhere in the world, including work on political parties, non-executive branches of the state and sub-national governments. Work on Markets and Trade has helped to wean local debates away from polarised debates on free trade, and to place small and medium enterprise development on the agenda of the World Bank.	High to Moderate – Work on Political Parties and Poverty Reduction as well as on sub-national governments via the PAR are highly original. HIV and Aids work is reported as having been successful. However, the regional programme has had a very slow start and much of the impact is still due to interventions started during the bilateral programmes. Most of the work is, in line with the requirements of the context, opportunistic (e.g. the support to the dissemination of the World Bank’s <i>Virtuous Circles</i> report). Focus is still weak with many small scale interventions in a range of issues and processes.	High to Moderate - High quality work on social exclusion (gender and race), HIV and AIDS and governance (TCU project, which was pre-RAP has exceptionally good reputation). But concern about “regional” aspect of programming and extent to which current programming (e.g. dissemination) is based on larger project spending during bilateral programme. Focus is threatened with advent of “new” issues: BRICs and Climate Change.
Quality of Partnerships	Moderate to Inadequate – IDB and World Bank collaboration imperfect, relationship with DFID London incomplete. Little connection to regional offices.	High – DFID’s methods of work give them an unusually high rating with partners and other donors, although in-country cooperation with the World Bank is more significant than with the IDB. Long-term locally-recruited staff, who are able to be firm in culturally appropriate and politically informed ways, play an important part in this. DFID get credit for making confident use of this important resource.	High – Both the World Bank and the IADB regard DFID as a close and valuable partner –this is even true in Peru where DFID is no longer present. Collaboration is a mixture between strategic engagement and opportunistic support. The roles of secondees and placements, as well as a close monitoring of these relationships by DFID have been instrumental. Partnerships are also strong and improving between DFID	High to Moderate – High with local partners and divisions of Brazilian government. Institutional mismatch with Brazilian Ministry of Foreign Affairs. Moderate with IFIs and UN agencies. Moderate with other DFID offices in region.

			and civil society.	
Adequacy of Resources	Moderate – Demand for TF’s higher than supply; human resources could be increased especially to balance across funds (i.e. mismatch of secondees and consultants).	Moderate – The sub-regional activities gain greatly from the bilateral programme in Nicaragua and vice-versa. Staffing at current levels appears adequate to support an exciting and effective range of activities. Significant staff losses without replacement at their current levels could threaten an extremely successful operation.	Moderate to Inadequate – Quality is high but quantity is insufficient. Slow start of the regional programme was due to the pressure on staff that had to manage the closing of the bilateral while expected to lead in the set up of new projects. Advisors are overstretched and require the support of consultants to carryout their functions. Potential resources are available in partner institutions, in particular civil society, but a change across DFID Latin America is needed to engage with them.	Moderate – The programme is spending its money effectively, but more money would allow for more new work to be commissioned. Staff is significantly overstretched and DFID’s lead is being compromised by Embassy’s access to great resources and staff.
Lesson Sharing	Moderate to Inadequate – Little knowledge was transferred from running of pre-RAP DFID trust funds to these trust funds. New projects do not have overarching mechanism for lesson learning and rely on initiative of individual trust fund recipients.	Inadequate – Given the high relevance of several Central America success stories to the rest of DFID, their dissemination ought to be a high priority but apparently is not.	Moderate – with potential. Some best practices have been shared with DFID but although interest has been high –intake has been low. The PAR constitutes a potentially invaluable lessons learning and sharing tool that has already proven useful.	Moderate - Brazil success stories (Bolsa Familia, HIV and AIDS) are being shared with other regions and countries, but mechanisms are not fully elaborated yet.
Remaining Issues	1) Discuss with both banks the possibility of using ideas in strand papers to provide more guidance on use of funds; 2) follow up on investment from Enlace, 3) stay engaged with the IDB as they go through their Re-alignment process, including location of trust funds and secondees.	1) Remain focused on programmes in governance, markets and trade, and HIV and AIDS; 2) sustain the productive interaction between the Nicaragua programme and regional activities; and 3) do more to document and disseminate examples of successful working, to partners and within DFID.	1) Focus more on Knowledge Management; 2) build on the model represented by the regional network, PAR; 3) continue to focus on enhancing the effectiveness of the bigger sub-players in the sub-region by maximising relations with CAF, BNDES, etc.	1) Increase dialogue with FCO about inter-relationship between DFID and Embassy in Brazil; 2) increase discussion with London about how to address BRICs agenda; 3) address the division of the Brazilian government that DFID engages with, as ABC no longer provides a clear fit.

Focus on innovation

88. ***Innovation and subsequent scaling-up is an appropriate objective for DFID in Latin America.*** It is quite early in the RAP period to assess this. The various challenges outlined above (the RAP architecture, the relatively weak dissemination of success stories and the lack of a strong common understanding of regional working) work against major breakthroughs. However, there are some areas of work that are beginning to reveal this sort of potential. One is the support that DFID Brazil is putting towards South-South cooperation on HIV and AIDS (see Case Study 5) and other topics.

CASE STUDY 5: REGIONAL HIV AND AIDS PROGRAMME, WORKING WITH BRAZIL

The Regional HIV and AIDS programme works closely with the Brazil STD/AIDS Programme and is jointly funded by Government of Brazil, UNAIDS, GTZ and DFID, with Netherlands and CIDA about to join. The programme started before the present RAP, as DFID-only support for the Latin America Horizontal Technical Group on HIV and AIDS, along with technical support for the National AIDS Programmes in Bolivia, Peru, and Ecuador. GTZ had an entirely separate programme of technical support to the AIDS programmes in other countries of the region. During the RAP, the partnership with Brazil, UNAIDS and GTZ has been developed, and geographical coverage has expanded to a full regional focus, with the addition of work in Honduras, Nicaragua (and a new partnership with the Eastern Caribbean States under development).

In 2005, the funding agencies joined Government of Brazil to develop the International Centre for Technical Cooperation, based in Brasilia, which aims to provide high quality technical and management support for National AIDS Programmes in the countries of the region, with some additional work developing in Caribbean and the Lusophone countries of Africa. The programme has helped to develop innovative approaches, using almost entirely south-south models of technical cooperation, building up the in-region pool of technical and management skills. Government of Brazil contributes staffing and the base for the International Centre, along with provision of generic first-line anti-retroviral drugs for AIDS patients, thus increasing access to treatment, along with technical skills on prevention and care, in the participating countries.

DFID's inputs to the programme, including the International Centre, are now managed by GTZ and all funding agencies are working towards a harmonised funding channel, using a single agreed annual work plan, with joint narrative & financial reports. Quality control is a strong focus for the International Centre, to ensure technical and management support is cutting edge and presented in a locally acceptable manner, with a strong focus on skills transfer. The International Centre has developed management and institutional support systems to facilitate this, overseen by a recently formed International Reference Group of leading AIDS and management specialists. UNAIDS has now established four additional International Centres, three in Africa and one in South East Asia, and plans to use the best practice and systems developed in the Latin America programme to expedite the development of the other centres.

89. ***Other prime examples of innovation and scaling up are those involving the use of networks to carry forward initiatives in which DFID has played a major part.*** The PAR, mentioned already several times in this report, includes a series of partners with the capacity to innovate (for example, GNTP in Bolivia), to mainstream (CARE UK in Peru) and to scale-up (FLACMA – the Latin American Federation of Municipal Governments). The Political Parties and Poverty work, which began with a DFID-commissioned study in Peru and Bolivia by the National Democratic Institute (NDI) in 2004. Now led by International Institute for Democracy and Electoral Assistance (IDEA) International, the Andes Political Parties and Poverty programme is updating these studies and incorporating other from Ecuador, Colombia and Venezuela – and it links up with similar (and more advanced) work in Central America (Box 8).

Box 8: Promotion of public policies to combat poverty through the activities of political parties (Central America, Panama and Dominican Republic)

This is a research and “information-exchange” programme through UNDP. It is based on two main premises: 1) that poverty reduction efforts have been weakened by the non-involvement of party leaders and structures in the formulation of poverty-reduction strategies, and 2) that the parties have a low public reputation arising, in good part, from their inability to put forward solutions to people’s major livelihood concerns. The programme seeks the following outcomes:

- Political parties broaden their knowledge of the institutional processes which frame the formulation of public policies to combat poverty.
- Party leaders examine and evaluate the role of parties in the formulation and management of public policies against poverty.
- Political parties develop a dialogue to promote interest in, and facilitate the construction of agendas on, the theme of poverty and public policy.
- A multi-party dialogue is set in motion with a view to building a consensus around improving the formulation and management of public policies against poverty.
- A space is created for dialogue within the international donor community on the role of parties in the formulation and management of public policies and national strategies to reduce poverty.

3 IS THE REGIONAL PROGRAMME ADEQUATELY RESOURCED?

Staffing

90. ***The Latin America programme's human resources are deployed appropriately, but are at a bare minimum.*** As emphasised in the previous section, DFID's greatest asset in Latin America is its staff, who have an excellent reputation and drive the significant progress being made. DFID in Latin America is already doing a lot with a little. The Bolivian and Brazilian offices have inadequate personnel to meet their strategic goals, as well as the demand from interested partners. Insufficient staffing is one of reasons preventing Bolivia from engaging in other countries in the Andean sub-region. It is responsible for the growing imbalance between the FCO and DFID in Brazil. In Washington, as mentioned previously, there is unmet demand for more support from DFID; in particular in the World Bank. There is a consensus among partners that with only a little more staffing of, at least, the same calibre, DFID could have done very much more.

91. ***The balance of the programme has been seriously affected by particular staffing bottlenecks.*** The trade programme has lagged behind on account of temporary gaps in expertise on that issue area. A similar situation is now being experienced in the Objective 2 (country strategies and aid harmonisation) component, because of inadequate provision for maternity cover at the relevant level. The provision for staff dedicated to regional lesson learning is not sufficient. A communications manager post in Brazil is currently vacant. While communication is an element in the terms of reference for the DFID secondees in the IDB, it is unclear to what extent they can play an effective role of communicating lessons for the entire RAP programme from their posts. Box 9 shows the distribution of financial resources amongst RAP programmes and offices.

Box 9: Distribution of RAP resources amongst programmes and offices

- **Accountable and Responsible Public Sector Management and Political Systems Programme (PSPS) = £7.5 million**
 - IDB and World Bank Trust Funds: £4.36 million
 - Decentralised (regional) Funds: £3.14 million
- **Latin American Markets and International Trade Programme (LAMIT)= £7.5 million**
 - IDB and World Bank Trust Funds
 - Trust Fund in IDB
 - Decentralised Funds
- **Latin American Regional Cooperation for HIV and AIDS, Prevention and Control = £2.2 million**
 - Phase 1: £1.0 million
 - Phase 2: £2.2 million
- **ENLACE: Social Inclusion Fund Programme = £1.7 million (expires 2007)**
- **Latin American Regional Poverty Reduction and Aid Effectiveness Programme = £1.3 million**
- **Latin American Pro-Poor Trade (LAPT) Programme = £1.3 million**
- **Partnership Programme Agreements (PPA) in Latin America and Caribbean = £7 million per year**
- **Nicaragua Bilateral Programme = Approximately £3 million per year**

92. ***There are further challenges because of high staff turnover, particularly in London.*** Major changes to the programme in addition to negative institutional incentives for DFID staff to stay in the Latin American Team (i.e. lack of promotion opportunities for staff remaining in the division for too long and a disturbingly widespread suggestion that it is "career suicide" to join the department) have resulted in what is generally perceived to be a high turnover of key staff. Box 10 shows the turnover in a number of key positions within DFID since the design of the RAP.

93. ***This feature of the RAP's resourcing has created problems of institutional memory and consistency, and has had negative impacts on partnerships.*** For example, the high turnover within DFID London during the establishment of the Trust Funds was cited by a number of staff at the IDB and World Bank as one of the reasons why the process was so onerous from a management and time standpoint. The lack of carryover between pre- and post-RAP staff has also made the buy-in to the programme lower. There is not a common and shared understanding of the programme across staff.

Box 10: Turnover in key positions in LAT during the RAP

Head of LACD: Changed once, from Richard Teuten to Paul Spray

Head of Lat Am Programme, London: Changed twice, from Claire Moran to Kevin Crockford. Kevin Crockford left in November and Michelle Winthrop started in the post in January.

Head of Central America: Changed once, from Penny Davies to Martin Johnson

Head of Andes Office: Changed once, from Sam Bickersteth to Jennie Richmond. (Also maternity leave cover, Emma Morley as Acting Head)

Head of Brazil Office: Changed once, from Bo Sundstrom to Miranda Munro

Communications

94. ***There are however relatively good lines of communication between London and the region.*** Most DFID staff in the region reported that they had good communication with staff in London, with the exception of the secondees. There was the general perception within the IDB that the communication between Washington and London was weak, which complicated the staff's abilities to manage the relationship between DFID and the IDB. As suggested earlier, there appears to be surprisingly weak communications between the different regional offices.

95. ***Good communications, when they exist, are largely limited to the Latin America Department and do not necessarily extend to the rest of DFID.*** This is a serious limitation for a Department whose rationale includes transmitting Latin American innovations to other developing regions.

Funding level

96. ***The overall financial envelope of the programme is insufficient, given its objectives.*** The objectives of the RAP are appropriate but quite ambitious for a small donor. There is a general perception that the money that DFID can make available to IFIs staff is exceptionally helpful in funding things that would otherwise go unfunded. It is probably too small to have a lasting impact either on the *modus operandi* of the banks or on the region. However, so long as it does not fall below the current level, worthwhile small impacts should be obtainable.

97. As we have argued, the more effective parts of the programme rely on engagement in processes by DFID advisors and consultants, who offer technical expertise and local knowledge on top of flexible funds. The most important part of this package to defend is the staffing. Our observations on what works and why contradict sharply the notion that aid effectiveness can be enhanced by reducing the advisory cadre while increasing total spending. At the same time, the funding that advisers have available to kick-start useful networks and justify accompanying them beyond the initial stage can only fall so far before this low-cost, high impact method of work ceases to be viable. ***We have the strong impression that decentralised funds for these purposes are already at rock bottom.***

The PPA NGOs

98. The work being funded through the PPAs with UK NGOs is varied and could be seen as extending the reach of the RAP. This is a good idea in one sense, but illusory in another. This is a complex issue to address because the spirit of the PPAs is that DFID entrusts the funds to CSOs in a hands-off manner. This means that they cannot be considered in any simple sense as a means by which the RAP can achieve more with its resources, or do the same with less. The perception amongst DFID Brazil staff is that the money received through the PPA provides a negative incentive for international NGOs to work in coordination with the office there. On the other hand, there is a clearly expressed desire from the NGO side for better communication about goals, expectations and ways utilising the money. The NGOs themselves who would like more involvement of DFID; not to instruct them on how to spend the funds but to find spaces for productive collaboration. Box 11 gives further details.

Investment in M&E

99. ***The resourcing of M&E has been clearly insufficient.*** One of the main challenges facing this interim evaluation has been the absence of the normal monitoring and evaluation system framework. The milestones established for this exercise were the outcome of a negotiation between the different members of the Latin America Department rather than the result

of a conscious effort, at the outset, to gather, store and use relevant information for monitoring and evaluation purposes. This meant, among other things, that most of the information found in the documents that we initially reviewed pertained to what was planned and not what was actually done. As previously mentioned, the milestones mainly related to the completion of activities and not to the programme's Outputs, which mostly involve changes in the behaviours of people and institutions.

100. If additional resources were to be devoted to this area, to what would they be devoted exactly? Box 12 offers some simple suggestions on how to improve the quality of the monitoring and evaluation of the programme. We propose that these steps would assist in improving the programme as well as setting a framework for the final evaluation at the end of the RAP.

Box 11: The PPAs in Latin America

The Evaluation Team discussed the RAP with NGOs that form part of the PPA. Below are some collected impressions of the RAP:

There was the impression that the PPA hadn't led to as much linkage with other programmes as was hoped for or desired. However, it was noted that the relationship between DFID regional offices and the NGOs was better in Central America than in South America.

There was some feeling that influencing the IFIs is not the primary objective of most NGOs in the region, which made the RAP hard for them to work with. Instead, their priority is to act effectively at the country level in an advocacy role, supporting rather than influencing.

It was also noted that due to the high staff turnover in the Latin American Team, the RAP had suffered from a lack of ownership and continuity.

Some also noted problems with communication and felt that DFID's communication tended to be one sided, with insufficient knowledge exchange.

Box 12: Some suggestions on appropriate M&E

Based on an understanding of the complex nature of policy processes, and the importance of people as agents of change, we propose that a learning-focused monitoring approach needs to be based on careful consideration of the following assumptions:

- Change – institutional and personal – is a long term, progressive, non-linear and highly uncertain process.
- DFID and its strategic partners can only change the behaviours of some actors with whom they will be working directly.
- There are many other actors and forces that influence change that will escape the control of DFID and its partners; and therefore it is difficult to attribute change to any one actor.
- Progress hence needs to be monitored in real time (assigning priorities within and across the different partners for learning).
- Monitoring lessons need to be fed back into the strategic planning and strategy assessment processes of the partners to incorporate best practices and lessons.
- Measure of success needs to focus less on whether DFID has achieved the desired long term change objectives (set out in the RAP) and more on balancing this with an assessment of whether it has appropriately incorporated the lessons it has learned and is doing all it should/can to achieve those desired changes.

Given the above, we propose to use principles drawn from the Outcome Mapping methodology; which was designed by IDRC to plan, monitor and evaluate research-based development interventions that aim to influence the behaviours of key drivers of change. To operationalise the approach, DFID advisors must agree on a series of milestones that track the progressive process of behavioural changes that would be expected in the interventions they are responsible for. These milestones will provide the programme, and each sub-region and advisor's intervention, with a focus for monitoring and assessing progress.

The achievement of the milestones, however, cannot be judged against a fixed timeline (for example, the end of the period for the current RAP); it is clear that many of the changes observed during the last year have been the consequence of interventions that happened during the bilateral programmes. The original milestones are relevant only in as much as the context does not change: hence the importance of a continuous context assessment in each sub-region, by those involved. These assessments should lead to a revision of the strategy and the milestones –whenever possible and to the extent to which DFID's strategy in the region is already fairly opportunistic.

To keep track of progress DFID staff and partners could set up an impact log (using internal knowledge management systems or a simple email address) to store information related to:

1. Activities carried out under each area of the RAP;
2. Any impacts observed in those that the RAP is trying to influence -including changes in behaviours and relationships, and activities or events.

This information could be reviewed periodically by the teams, to assess their progress and identify stories of change that could offer important lessons to be incorporated into the programme. Alternatively, it would be useful for future evaluation efforts as it would contain dated information about the activities carried out by the programme and their impact. This simple process would collect anecdotal information in a systematic way and will thus make it relevant for monitoring and evaluation. This would, most importantly, help make attribution easier to measure and therefore produce relevant lessons around best practices that could be shared and incorporated across the programme.

4 IS DFID DOING WHAT IT SAID IT WOULD DO?

The evidence on milestones

101. ***Progress on the achievement of the milestones has been good, and better than the initial document review indicated.*** The initial findings of the document review indicated that there was inconsistent performance across objectives and types of milestones (e.g. tangible vs. broad, or output vs. behavioural). Subsequent documents provided by the team and the regional offices demonstrated that there was far more progress made to the accomplishment of most milestones than had been indicated. Consistently across the three component objectives, most of the milestones are well on the way towards being achieved. Appendix 5 provides a revised assessment of progress on these milestones. Box 13 provides some information about key milestones.

102. ***The achievement of some milestones has been compromised by difficulties in promoting sufficient cross-regional and cross-DFID learning.*** As has been mentioned in other parts of this report, there do not appear to be sufficient funds or a strategy to ensure that the lesson-learning objective of the RAP is met. For example, milestone 3.2.3. requires the establishment of *regional* communication strategies on ENLACE, gender best practice and fighting institutional racism. There is a significant risk that the investment DFID has made in the ENLACE fund will not be capitalised on after the fund closes this year and a clear strategy should be designed to ensure that the good work sponsored by this fund, including the IDB's Indigenous People's Strategy, is capitalised upon. Similarly, lack of effective methods of capturing lesson learning from individual projects using RAP money have made it more difficult for Latin America to present case studies to DFID globally (milestone 3.2.6).

103. ***There have been significant delays in the implementation of the trade programme.*** Unanticipated staffing gaps and turnover problems seem to account for most of these. There also appear to be parts of the work plan that are not captured sufficiently in the milestones, such as the HIV/AIDS work and some programmes being undertaken at the sub-national/national/sub-regional level.

104. ***There are no significant bodies of work which are inconsistent with the RAP.*** On the other hand, there has been some work whose objectives and methods are highly consistent with the RAP which does not originate in the RAP. One example of this is the Inter-Regional Inequality Facility. Information about this programme and its achievements was provided for the document review as evidence of completion of several milestones. However, it was not mentioned in the RAP document, and actually originated in an initiative of Africa Policy Department. Partners in the region were not found to be aware of the initiative and the Washington based partners were not aware of any link with the RAP. There are other programmes (e.g. Enlace) which appear in the milestones, but were in place prior to the RAP. Therefore it is unclear whether they should be utilised as examples of RAP successes.

Box 13: Examples of Progress on Milestones

IDB Reaching the Majority Strategy formulated and includes pro-poor social and political aspects: The Reaching the Majority Strategy has been effectively rolled out by the IDB, and some elements of the strategy bear strong marks of DFID thinking on areas such as social inclusion and access to markets and governance.

Political Parties work with IDB and others is complete and observed in the development of approaches to country strategy development. Good progress has been made on this work in Nicaragua, and the work has read across to other parts of Latin America.

Opportunity for engagement with global policy goods discussions identified and pursued. DFID Brazil has recently hired an advisor on climate change issues, which will help to expand this platform of work.

Regional production, discussion and use of high-quality statistical analysis of poverty and inequality. Good work has been done both with the Bolivian national statistical authority and the Brazilian Special Secretariat for Women to increase both the quality and availability of regional level statistical data.

Monitoring and the limits of the logframe

105. ***More problematic is that the achievement of the milestones still does not guarantee achievement of objectives of the RAP.*** As was discussed during the presentation of the document review, the primary shortcoming of the milestones is that they were created post-hoc and are therefore describe work on its way to being completed, rather than careful steps set out in advance on how to achieve the programme's objectives and goal. They also relate to the Activity level. This implies that there is an unclear path between the milestones and the achievement of the programme objectives. This is a problem given the broad and ambitious nature of these objectives, as discussed in other parts of this report.

5 HAS THE WORK OF THE LATIN AMERICA TEAM INFLUENCED WIDER DFID THINKING?

106. In the Terms of Reference of the evaluation this question refers primarily to influence on DFID's wider efforts to improve the effectiveness and results focus of the IFIs, and on the Middle Income Country strategy. We are in a position to make only brief comments on these issues, and will conclude by reiterating some findings on the relevance of Latin American work to wider DFID operations.

107. So far in the RAP period, the engagement of the Latin America team with the IFIs seems to have added only in modest ways to DFID's influencing efforts in those organisations. ***This is not surprising.*** It is very soon to expect to see a substantial contribution. Anyway, while the Trust Funds make up a significant portion of the RAP budget, they are not large in comparison to the resources that the two institutions dedicate to the region. Even if LAD staff are extremely successful in combining these limited resources with decentralised funds and activities, large changes will not be easy to achieve.

108. ***Having said that, we must recognise that the potential for contributing to change at the IDB is now much greater than at the World Bank, because of the Realignment initiative by the IDB's new President, Moreno.*** The UK is well represented at the IDB Board in Washington, and LAD has been collaborating well with DFID's IFI Department on IDB issues. Especially if efforts in London and Washington are joined up well with engagements by the regional offices such as the proposed collaboration on Realignment between DFID Andes and the IDB Peru office, the Latin America team may be in a position to claim worthwhile contribution to restructuring the IDB within a few years. At the World Bank, DFID influence on Latin American operations is much reduced by not having any secondees in this part of the Bank.

109. While DFID's MIC policy provided a backdrop for the RAP, it is unclear whether the Latin American team has subsequently influenced the strategy.

110. It may be, on the other hand, that the work of the Latin American team has fed into work in Policy Division. Latin American experience has influenced wider DFID thinking (e.g. on cash transfers, HIV/AIDS, etc.) although we are unable to judge to what extent this was due to the work of the Latin American Team.

111. What is clear is that the Latin America team has much to offer Policy Division and the other DFID regions. Rather than bemoaning the apparent lack of interest in Latin America across the department, the team should be gearing up to record, document and disseminate the good things it does, along the lines already suggested. In this way, it could contribute to a change in ethos in DFID, such that in the not-too-distant future it is seen as professionally mandatory to know about how once poor middle-income countries are doing things with help from DFID.

112. Areas in which DFID Latin America has things to teach the rest of the organisation include:

- 1) working on policy influence – a key aspect of the DFID White Paper on which the Latin America team now has important experience;
- 2) maximising impact with small resources – as small player LAD has had to look for alternatives such as working with secondees and placements or developing a network of partners and allies to work through;
- 3) the skills necessary for effective influencing of the IFIs – many of these are relevant to other regions: Latin America could be seen as a training ground for DFID staff: communications, networking, knowledge management, negotiation and influencing;
- 4) work on sub-national governments and bi-national development – much of this could be mainstreamed through DFID to influence work in other regions;

- 5) the programmes on political parties and on non-executive branches of the state – which are highly relevant experience for operationalising the governance commitments in the White Paper;
- 6) the Nicaraguan experience with monitoring governance within a budget support programme – an unprecedented achievement on high relevance in Africa.

6 CONCLUSIONS AND RECOMMENDATIONS

113. Working within the framework of the RAP, DFID's Latin America team is getting good results which have a strong potential to lead to relevant impacts, including eventual reductions in poverty and inequality in the region. It has developed and is carrying out with considerable skill a large number of interesting projects, most of them involving working in partnership with other governmental and non-governmental stakeholders. At the same time, this report has highlighted some conceptual and organisational weaknesses which ought to be addressed. This section sets out some suggestions based on the findings of the report, to inform the discussion about the second phase of the RAP.

114. There are significant lessons to be learned from Latin America, as a region of development innovation. Latin America has been a source of several major innovations in development policy, and as such provides a good base for learning lessons that can be applied in other regions where DFID works. DFID would lose this information advantage if its programme there were scaled down further. Additionally, DFID is viewed by partners as a unique and important actor in the region, and further contraction of its programme would be perceived as a serious loss to the development debate in Latin America.

115. It is too early to expect significant results from the RAP. Many of the new programmes only started to run in the past year (2006). Long lead times have been required in several areas (e.g. in establishing the Trust Funds) and the phasing out of bilateral projects has also taken time. **To make substantial changes at this point would be clearly unwise**, compromising the investments already made and undoing the hard work that has gone into defending DFID from the charge that it is a fickle partner. There is anyway no suggestion that massive changes are necessary in order to achieve effectiveness.

116. On the other hand, some small changes could be made in the conduct of the RAP which would have disproportionate benefits for DFID and, in turn, partners. **Some simplification of the RAP architecture would be in order.** This would permit advisers to focus on a more limited set of main tasks, which would help in joining up potentially complementary but in practice often de-linked components of the RAP. The simplification could include some reconsideration of the relevance of Objective 2 to the whole region, combined with a recognition that working within country processes with partners is an important working principle in all programmes.

117. The focus on international trade may also need to be downplayed vis-à-vis other thematic concerns given stalled progress on trade agreements in the region. A clearer understanding amongst staff that the political climate for trade discussion in Latin America has shifted would be useful for managing expectations. The success of the trade trust fund in the IDB could also be used as an example of how to catalyse the implementation of this in the regions. Within the trade field, the work on pro-poor market access remains a strong and promising area of work.

118. Social exclusion, HIV and AIDS should be more fully incorporated into the RAP. These two critically important substantive themes form a large percentage of programmes which are working very well in Brazil, within the IFIs and in other regions. They are areas in which DFID offers a particular and widely valued approach. The "secondary" status HIV and AIDS in the RAP is reflected in the fact that it appears in only one of the 46 programme milestones, despite the large amount of work being done on the topic in Brazil. There is also a risk that the work carried out under the ENLACE programme will not be utilised to inform future DFID policy in the region as the Fund closes.

119. DFID should think about how to play a stronger role in triangulating South-South technical cooperation and aid. While there have been some successes on HIV and AIDS, conditional cash transfers and race in Brazil, work of this nature could be expanded both within Latin America and across regions. South-South cooperation and lesson learning could also come from countries in the region other than Brazil – e.g. Chile or Mexico – if links were sufficiently built.

120. ***There are some technical aspects of the trust funds which should be addressed.*** There is a widely held view in Washington that the criteria for the governance trust funds are too broad, and that DFID should either address this formally, or provide more strategic guidance to those that are directly managing the funds. The suggestions that allocations from the trust fund in the World Bank have been “captured” need to be taken up with the person taking over as the Bank’s task manager. The location of the two funds within the IDB and how this is likely to be affected by the Realignment process will also need careful consideration, taking into account the benefits and drawbacks of location in research or operational divisions.

121. ***The restructuring of the IDB is a major opportunity for DFID.*** The UK representative on the IDB Board and IDB staff should be in close contact with DFID London about progress on the restructuring to see how DFID can act strategically during the period of change.

122. ***We see evidence of successful influencing of the IFIs by direct, indirect and intermediate routes.*** The indirect route, in which IFI behaviour is obliged or enabled to change by pressures from multiple directions and agents which alter the country context, seems particularly powerful. But discussing this element of the programme and its successes with partners is difficult for DFID staff and can create diplomatic problems.

123. ***The influencing agenda should therefore be redescribed.*** More use might be made of concepts such as “accompanying” the IFIs, and “assisting them to create conditions in which they are able to work for the poor”. Reformulating the objective in this way would enable success stories to be disseminated. It would also assist in giving the RAP a more structured set of outputs and interim goals, so that progress can be measured and standardised across parts of the programme.

124. ***There is an urgent need to come to a shared understanding of how the “regional” dimension of the programme is being fulfilled.*** There is a risk that without this, the programme will become further disjointed and be unable to meet its objectives or goals. Thought is needed about what a regional programme means generally, and what it should mean for each of the individual sub-regional offices.

125. To the extent that staffing allows, ***DFID should seriously consider dedicating more staff time to strategies for communication, scaling up and dissemination,*** activities that are presently being covered insufficiently.

126. ***Institutional disincentives for London based staff to stay in the Latin American team should be addressed.*** The LAC Head of Department as well as Heads of Office should actively combat the notion that joining the team is a “bad” career choice, and take steps to ensure that staff members with a high level of dedication to the region are employed. The important lessons being learned from the Latin American experience should be sufficient to allay the idea that the Latin American team lacks professional challenges.

127. ***In general, more should be done to utilise the RAP as an example of how a great deal can be achieved with limited financial resources.*** We realise that internal pressures for reductions in both funding and staffing are currently strong. However, the RAP provides a strong positive example of how to be creative and contribute effectively to development with a limited programme. In the immediate future, this can and should be used to defend the programme against external pressure for further cuts.

128. Looking further ahead, the commitments made by HMG in 2005 should eventually result in a more permissive funding envelope. At that point, the RAP experience should play a part in making a different case to DFID senior management – ***that treating the advisory cadre as merely a means of delivering financial aid is based on a serious misconception of what works in promoting development.***

129. ***Given that the transition to the RAP has only recently been accepted by partners, any changes to the RAP should be done carefully and quietly.*** Alterations to the RAP which do not require massive changes should be done without much fanfare. Recently re-established relationships would suffer seriously from any large change in priorities at this point.

Appendix 1: Complete List of Interview Participants, by Region

A. List of Interviewees from Brasilia

Abramo, Laís – Director, ILO Brazil
Armelin, Mauro – WWF
Barbosa, Maria Inês - Special Secretariat of Polices to Promote Racial Equality (SEPPIR)
Bastos, Glória – TCU, Secretariat of Evaluation of Government Programmes
Baumann, Renato – Director ECLAC Brazil
Beaulieu, Remy – Chief of the Canadian Cooperation Programme (CIDA) for Brazil
Betrami, Rafael – Brazilian Cooperation Agency (ABC) / Ministry of Foreign Affairs
Carvallho, Patricia – Special Secretariat of Women's Policies
Collecott, Peter – British Ambassador to Brazil
Cunha, Beatriz – Programme Office, ILO Brazil
Falu, Ana – Director, UNIFEM Brazil
Fontes, Angela – Special Secretariat of Women's Policies
Frossard, Heloísa – Special Secretariat of Women's Policies
Gaetani, Francisco – Coordinator, UNDP Brazil
Guimares, Ana Cristina – Former DFID Programme Officer
Herlt, Cláudia – Health Coordinator, German Development Cooperation (GTZ)
Jeger, Ernesto – DFID Governance Advisor
Lestani, Jorge Luis – Deputy Representative of IDB in Brazil
Libardoni, Marlene – Executive Director AGENDE
Lindert, Kathy – Sector Coordination, Human Development, World Bank Brazil
Miranda, José Carlos – Secretariat of Foreign Affairs (SAIN)/Ministry of Planning
Meireles, Carmen – TCU, Secretariat of Evaluation of Government Programmes
Munro, Miranda – Head of DFID Brazil
Naves, Magali – Special Secretariat of Polices to Promote Racial Equality (SEPPIR)
Serpa, Selma – TCU, Secretariat of Evaluation of Government Programmes
Soares, Luís Henrique – President of Institute for Applied Economic Research (IPEA) / Ministry of Planning and Budget
Soares, Vera – Consultant on Gender
Veitsman, Jeni – Director, Department of Monitoring and Evaluation, Ministry of Social Development
Weisman, Ethan – Principal Economist, World Bank Brazil

B. List of Interviewees from Managua

Individual Interviews:

Benz, Jürg – Resident Representative of the Swiss Development Cooperation (COSUDE)
Castro-Leal, Florencia – Senior Economist, World Bank
Castro Monge, Ligia Maria – DFID Consultant (Study on Innovative Use of Aid Instruments)
Chamorro Vargas, Mauricio – Office of Fiscal and Economic Affairs, Ministry of Finance, Govt. of Nicaragua
Cintora, Graciela – Deputy Country Representative for Nicaragua, IDB
Gomez, Mauricio – Vice Minister, Secretaría de Relaciones Económicas y Cooperación, Ministry of External Relations, Government of Nicaragua
Grigsby, Charles – Programme Coordinator for Nicaragua, Oxfam UK
Jarquin, Maria José – Governance Adviser, DFID
Johnston, Martin – Head of Office, DFID Central America
Karlson, Ketil – First Secretary Development, Royal Danish Embassy
Littlejohn, Coleen – Senior Operations Officer & Civil Society Specialist, World Bank
Montalvan Pallais, Alvaro – Secretary, Secretaría Técnica, President's Office, Govt. of Nicaragua
Neret, Matilde – Social Development Adviser, DFID
Sosa, Roberto – Coordinator for Nicaragua, SNV
van Geel, Bert – Royal Netherlands Ambassador, Current Chair of the Budget Support Group
Velez, Egda – Growth and Private Sector Adviser, DFID
Wallace, Arturo – Nicaragua PRS and Governance Programme Coordinator, DFID
Winthrop, Michelle – Growth and Private Sector Adviser, DFID

Group Interviews:

- At UNDP Office with staff working on Project for Political Analysis and Future Scenarios (PAPEP), including:
 - Eduardo Urcuyo, PAPEP Project Coordinator
 - Maribel Gutierrez Castillo, Head of Dept. of Governance, UNDP Nicaragua
 - Juan Carlos, Coordinator of Sub-Sector Programme, PAPEP
- Inception and Wrap-Up Meetings with staff, DFID Central America

C. List of Interviewees from Andes

Barron, Marcelo - DFID Placement in IADB- Bolivia (La Paz)
Bateman, Peter - HMA- FCO Bolivia (La Paz)
Beaumont, Martín - Programme Manager OXFAM UK - Peru (Lima)
Behrendt, Adam - Participatory Governance and Decentralization Adviser, DFID Andes (La Paz)
Bohórquez, Jorge - Director UPC (La Paz)
Buijs, Peter - Country Director, CARE Ecuador (Quito)
Carver, Alice - 2nd Secretary FCO (Colombia)
Castagnino, Ernesto - IADB Principal Specialist in Governance and Civil Society (Washington)
Castro, Javier - Programme Manager, DFID Andes (La Paz)
Claure, Ramiro - Vice president of CCM. Global Fund in Bolivia (La Paz)
Dasso, Elizabeth - Senior Social Development and Civil Society Specialist. WB- Peru (Lima)
Diaz, Julio - Red Peru (Lima)
Dick, Fernando - Executive Director, GNTP (Santa Cruz)
Donlan, Emma - Social Development Consultant / HIV (La Paz)
Francke, Marfil - DFID Consultant in Peru (Lima)
Goulden, Jay - Director de Programas CARE Perú (Lima)
Herrera, Francisco - Director National Democratic Institute (La Paz)
Hertz, Carlos - Director Fortaleza, CARE Peru (Lima)
Jarrin, Edwin - PACT Institute (Quito)
Kuechemann, Christof - Representative IADB- Peru (Lima)
Kwatersky, Jeffrey - Director, Impact Alliance (DC)
Laguna, Blanca - Defensor del Pueblo- Bolivia (La Paz)
Lair, Gerhardt - IADB RE 1 Director (Washington)
Lazo, Martha - Civil Society Leader, Bolivia (Santa Cruz)
Llanos, Ruth - Task Manager, Civil Society WB- Bolivia (La Paz)
Luff, Connie - Representative WB- Bolivia (La Paz)
Maldonado, Julio - Consultant / Amazon (Santa Cruz)
McGee, Rosemary - Country Representative (Colombia)
Montes de Oca, Marianela - Enterprise Trade and Livelihoods Adviser, DFID Andes (La Paz)
Morley, Emma - Acting Head of Office, DFID Andes (La Paz)
Munoz, Diego - Strategic Adviser DFID (La Paz)
Nettleton, Catherine - HMA- FCO Peru (Lima)
Ona, Vinka - Programme and Administrative Officer, DFID Andes (La Paz)
Pinelo, Jose - Past President Comite de Enlace (La Paz)
Renjel, Marcelo - DFID Consultant (PAR and PP- Bolivia) (La Paz)
Richmond, Jennie - Head of Office, DFID Andes (UK)
Ross, Violeta - President of Bolivian network of People living with HIV Bolivia (La Paz)
Sample, Kristen - Programme Manager, IDEA INTERNATIONAL (Lima)
Schaaf, Diddie - Organizacion Panamericana de la Salud
Soriano, Rodolfo - Executive Director, PRORURAL (La Paz)
Suarez, Gil - Int Rep. IBAM Brazil

D. List of Interviewees from Washington, DC

Alonso, Pablo – IDB
Bain, Katherine – Team Leader, Civil Society LAC Region, World Bank
Cárdenas, Susana – Operations Specialist, Financial Support Services, IDB
Carr Johnson, Zakiya – Consultant, Social Programmes Division, Social Inclusion Trust Fund, IDB
Carrizosa, Mauricio – Sector Manager, Economic Policy and Poverty Reduction and Economic Management, LAC Region, World Bank
Cuesta, José – Social Development Specialist, IDB
Ferroni, Marco – Deputy manager Social Development and Public Governance
Giordana, Paolo – Trade Economist, Integration Trade and Hemispheric Issues Division, IDB
Harper, Leslie – Modernisation and State Specialist, Sustainable Development Department, IDB
Kalil, Peter – Chief, Integration, Trade and Hemispheric Issues Division, IDB
Krivonos, Ekaterina – Consultant, Regional Operations Department, IDB
Manzi, Miguel – Nicaragua Coordinator, IDB
Mills, Stewart – UK Alternate Executive Director, IDB
Moyer, Diana – Social specialist/consultant, Sustainable Development Specialist, Indigenous Unit, IDB
Nakamura, Keisuku – Deputy Manager, Financial Support Services, IDB
Pungiluppi, Juliana – Operation Specialist, Social Inclusion Fund, IDB
Ripani, Laura – Social Inclusion, IDB
Regalia, Ferdinando – Social development specialist, Region II, Social Programme Division, IDB
Reuben, William – Senior Social Scientist, Social Development, LAC Region, World Bank
Schneider, Aaron – DFID Seconded from IDS to IDB
Schwartz, Jordon – Senior Infrastructure Specialist, Finance, Private Sector and Infrastructure Division, LAC Region, World Bank
Shepherd, Daniel – Operational Specialist, Multilateral Investment Fund, IDB
Sollis, Peter – Senior Social Development Specialist, IDB
Tarallo, Roberto – Regional Manager, Financial Management LAC Region, World Bank
Thompson, Mary – DFID-seconded Social Development Adviser, Region II, Social Programme Division, IDB
Vélez, Carlos Eduardo – Chief, Poverty and Inequality Unit, IDB
Zeballos, Erick – DFID-seconded Trade and Poverty Adviser, Trade and Hemispheric Issues Division, IDB

Appendix 2: Sample Interview Questionnaire

This questionnaire is designed to be administered by a member of the Evaluation Team. It will serve as a basis to complementary questions to be asked on a more specific basis to staff members involved with individual RAP programmes. The questionnaire is for IFI Staff Members who are or have been involved in projects/programmes funded or supported by DFID's RAP (directly or indirectly). Additional questionnaires will be designed for DFID Latin America staff, CSOs staff and government stakeholders in country. All questions should be answered. Most questions are answered by choosing one answer and then adding any additional relevant comments.

1) What are the 3 most significant changes that have taken place in Latin America (or your country/region) over the last year?

Are any of these pro-poor?

2) What was DFID's role in these changes, if any? What roles did the [other IFI] play?

3) Who else played a key role?

4) Has your relationship with DFID, or your impression of DFID, changed in the last year?

How has it (or How might it have) changed?

Do you think this change makes it easier to work towards the reduction of poverty and inequality in Latin America (or your country/region)?

5) Has your relationship with [other IFI], or your impression of [other IFI], changed in the last year?

How has it (or How might it have) changed?

Do you think this change makes it easier to work towards the reduction of poverty and inequality in Latin America (or your country/region)?

6) Has your relationship with CSOs, or your impression of CSOs, changed in the last year?

How has it (or How might it have) changed?

Do you think this change makes it easier to work towards the reduction of poverty and inequality in Latin America (or your country/region)?

7) Has your relationship with governments, or your impression of governments, changed in the last year?

How has it (or How might it have) changed?

Do you think this change makes it easier to work towards the reduction of poverty and inequality in Latin America (or your country)?

8) Have you seen and / or read DFID's Regional Assistance Programme for Latin America?

9) How long have you been involved in work on the Trust Funds?

10) In what capacity?

11) Were you actually involved in the design work for the trust funds?) During the design work for the trust funds, what were the most important constraints or difficulties that you experienced?

12) For the design and implementation of the trust funds, how important do you feel was DFID's earlier decision to allocate 90% of bilateral funding to Low Income countries and 10% to Middle Income countries? (Very important, important, Not important, Unsure, Not aware)

What reasons do you give for your answer?

Do you have any comment on the process DFID followed?

13) What do you think are the three main strengths and the three main weaknesses (or successes and failures) of the Trust Fund arrangements?

14) DFID emphasises the regional sharing of lessons learned. Do you think this has happened? (Yes, only partly, hardly at all, no)

What do you feel are the main constraints for lessons sharing in Latin America?

How could this be improved / made easier?

15) In general, for the work on the Latin America Regional Assistance Programme, how well do you think DFID has worked with [WB or IADB]? (Very well, well, unsure / mix of good and bad, poor, very poor, don't know)

Can you provide one or more illustrations to help us understand the reasons for your answer?

Can you suggest ways that DFID could collaborate more effectively?

16) Do you know who is your counterpart in DFID?

How often are you in contact and when was the last contact?

17) Do you know who is your counterpart in [other IFI]?

How often are you in contact and when was the last contact?

18) What do you think has been DFID's greatest single achievement in Latin America (your country/region)?

From your perspective, what effect did this have on: Politics, Transparency, Governance, Outcomes or Impacts

19) When DFID staff were interviewed, among the significant changes they identified in Latin America (country/region), were [mention one or two changes identified by the DFID staff]. From your perspective, did DFID have a significant role in these changes?

What do you think was (might have been) DFID's role?

20) Do you think that DFID's three main objectives are the right priorities for DFID in Latin America?

21) Do you think that the objectives in the DFID RAP complement and strengthen the work of the WB, IDB and other multi/bilateral development agencies in the region?

22) With the benefit of hindsight, if you were starting out today and were asked by DFID how to improve the RAP (knowing what you now know from the experience over this last period), what specific changes would you make in the process? If possible start with the most important change that you would make.

23) Any other issues you would like to mention?