

## OECD DAC Peer Review of Spain

### Key Impressions, El Salvador, 10 July 2015

#### *Spain is a valued partner in El Salvador*

1. Spain is valued by the government of El Salvador, and other development partners, as a **respectful and flexible partner**. It demonstrates a very good understanding of the context and has built strong relationships, based on mutual trust, over 26 years of co-operation. This has been sustained in El Salvador despite the significant cut in ODA levels from 2012.
2. Spain's co-operation is **well tailored to the lower-middle income country context** of El Salvador. It has a consistent focus on promoting social inclusion and poverty reduction. At the same time, Spain supports the government to strengthen its institutions, to reform laws and public policies, and to promote regional integration through the *Sistema de la Integración Centroamericana*.
3. Spain is adjusting co-operation **instruments** to its evolving relationship with El Salvador, transitioning from a traditional aid donor to a strategic development partner. For example, it is supporting capacity building in its priority areas – including through constant support and dialogue – as well as triangular co-operation.
4. Spain is clearly applying the principles of **aid effectiveness** in its programme, enhanced by significant autonomy for AECID in El Salvador. For example:
  - The country performance framework (CPF), developed in-country, is **aligned** to the 5-year national development plan and El Salvador's own planning cycle.
  - The **flexibility in budgeting and programming** helps Spain to be responsive to the needs of its partners and to adjust its activities in a timely manner.
  - The current systematic **use of country systems** supports strong government ownership, although this may change with the introduction of lending.
  - Specific joint initiatives – such as the budget support provided to *comunidades solidarias*, the joint programme for fiscal reform, and delegated co-operation from the EU – contribute to donor **harmonisation** and reduce the burden of fragmentation on partners.
  - Joint evaluations with El Salvador are a practical example of **mutual accountability**.

#### *Spain can continue to build on achievements*

5. The current CPF has enabled Spain to direct its efforts towards three thematic priorities that are relevant to El Salvador and aligned with the Master Plan's strategic guidelines. There is scope, in the next CPF, to further **focus** the programme by establishing clearer objectives and by identifying synergies between its various activities and partnerships. Without such a focus, limited additional resources for El Salvador may be spread too thinly.
6. Whilst development co-operation is the most significant contribution in El Salvador, Spain's **whole of government** support is well co-ordinated and aligned, under the leadership of the Ambassador. Current co-ordination structures, however, do not allow for an inclusive and continual dialogue with all Spanish stakeholders, including NGOs, outside of planning for the CPF.
7. Progress made in making Spanish co-operation in El Salvador more predictable is being affected by recent changes in **budgeting** procedures. Multi-year commitments are now based on internal agreements in AECID and not on formal budgetary commitments.

8. Spain is providing hands-on support to partners in planning and **implementing** programmes. However, results, programme management and budgeting are being affected by the low levels of execution of disbursed funds. Spain will need to continue to support partners to identify and overcome bottlenecks in execution.
9. As observed in Madrid, Spain has made efforts to plan for **results** in the CPF but is not yet managing for results. Additional efforts to develop useful indicators and monitoring tools will be necessary to collect results information that can be used for decision-making.
10. The decision to conduct strategic **evaluations**, and to limit project evaluations, is pragmatic in the context of limited resources. Clearer allocation of roles and responsibilities between Madrid and the country office in relation to the selection and budgeting of evaluations would further support the use of their findings, while preserving independence.
11. Spain has given gender equality a strong profile through dialogue, programming and the creation of strategic partnerships in El Salvador. There has been less progress with **mainstreaming** environment and climate change, despite a demand from counterparts for more support in this area. To deliver more effective mainstreaming, staff will need to be well equipped with the right skills and guidance.

#### *Spain faces some ongoing challenges*

12. A **private sector** lens is absent from the current co-operation programme in El Salvador. This reflects the relatively early stage of the development of a private sector strategy in Spain's overall co-operation policy.
13. In some areas, Spain requires stronger, more systematic and streamlined **procedures**. For example, there are limitations in Spain's current approach to analysing and managing risk in its country programme. Some reporting requirements do not appear to have added-value. Clear and consistent orientations from Madrid for oversight – focused on results and effective programme management – would increase efficiency and improve accountability.
14. As highlighted in Madrid, the lack of a **human resources** strategy and planning, as well as a lack of a system for performance management, risk undermining effective programme delivery and organisational performance in El Salvador:
  - It is not clear that Spain has been able to find the right balance between **generalist and specialist** skills in delivering its objectives in El Salvador. It appears that the AECID office is not being required to assess human resource needs against the delivery of the new country plan.
  - Staff in country offices do not have opportunities for career development, including promotion and rotations. Locally employed staff are restricted to working on administrative functions only.
  - A performance management system that includes individual objective setting and transparent performance monitoring does not exist.
  - Training opportunities and resources do not appear to benefit all staff, including local staff, equally and are not always based on need.
15. Spain has no systematic approach and format for sharing success stories from its co-operation in El Salvador with headquarters. This is a missed opportunity to **communicate** to the general public, in the context of declining public support for ODA.