

Paris Declaration: what if we get stuck in a perverse equilibrium?

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Harmonization and Alignment

		Harmonization	
		High	Low
Alignment	High	Paris Declaration: joint policy dialogue, GBS, delegated funding	Donors play cavalier seul in GBS, SBS, no joint policy dialogue
	Low	Vertical funds	Old style aid, micro managed donor projects

What are the conditions for reaching the High A, High H optimum?

- Recipient government does not feel threatened by harmonized donorgroup
 - Biggest pay-off for patronage based systems: low harmonization and full alignment
- Donors address collective action problems, deal with visibility/identity issues, do not mind being
 - Pay-off is considerable if low harmonization and in process of alignment

Perverse equilibrium?

New policy dialogue: consensual conditionalities

- What about negotiated conditionalities?
- Do they violate ownership, partnership, results orientedness?
- And how should donors react to non-compliance of these negotiated conditionalities?
 - Softer (partnership, ownership...)?
 - Tougher (respecting the contract)?

Ideally Policy Dialogue

- In touch with an internal reform drive
- Sensitive to opportunities for change
- Can and must be tough at times