

About CAPE

The Centre for Aid and Public Expenditure's mission is to improve the quality of international development assistance and to enhance the effectiveness of developing countries' public resource management. We promote discussion and research on core questions of aid policy and public finance, in particular undertaking research, professional advisory and evaluation work in four interlinked areas:

- Redesigning aid architecture and improving aid effectiveness
- Reforming public finance management
- Strengthening resource allocation and use at sector and sub-national levels
- Improving national policy and planning processes to support development

What we do

Redesigning aid architecture and improving aid effectiveness

The central focus of CAPE's work is on promoting ways to improve the effectiveness of aid and development cooperation. CAPE approaches this issue from three angles: at the supra-national level by working to redesign the international aid architecture; at the level of individual development agencies by working to improve the way aid is delivered; and at the level of individual recipient governments by working to improve the way aid is received and managed.

Proposals for the reform of the United Nations and the Bretton Woods institutions are currently being discussed and implemented. CAPE expects to continue its work advising policy-makers in the institutions and at the national level about the expected impact of different policy choices as these reforms progress. The aid system skews national accountability mechanisms: southern governments are accountable 'upwards' to donor agencies rather than downwards to their citizens. CAPE will

continue its work to understand how mutual accountability mechanisms might enable recipient governments to hold donors more accountable for their commitments and to re-orientate accountability back to citizens.

A key element of our work is aimed at building the capacity of southern civil society and research institutes to engage more effectively in the debate about aid effectiveness and the reform of the aid architecture. The Forum on the Future of Aid (www.futureofaid.net) provides a central point for resources, articles and opinions, and encourages online discussion between northern and southern organisations about these issues.

Reforming public finance management

Weak public finance management systems in developing countries are a major constraint on the ability of the public sector to deliver services effectively. As public expenditure systems anchored in national development strategies become the preferred channels of aid delivery, strengthening those domestic systems has become ever more important. CAPE's work in this area focuses on diagnosis of PFM system performance through tools such as the PEFA framework, development of recommendations for government-led and donor-supported PFM reform strategies, and deepening the accountability of budget processes by strengthening demand side actors. A new line of research currently under development tries to understand better the political economy of PFM reform to help explain why similar reforms have such different outcomes across countries.

Strengthening resource allocation and use at sector and sub-national levels

As public sector reforms across developing countries progress, a deeper analysis of budget and policy processes operating in sector ministries and at decentralised levels has become necessary. CAPE's focus extends beyond national structures of budget management and aid delivery to the end of the public sector service delivery chain where facilities are located and services delivered to the public. Our research portfolio has included work on spending efficiency in the education, health, water and sanitation sectors as well as analysis of local government finance and management structures. A new research stream will focus on how technical PFM reforms can be better harnessed in support of improved government performance through frontline service delivery outcomes.

Improving national policy and planning processes

Poverty Reduction Strategy processes and related country-led approaches have been at the heart of recent efforts to strengthen national policy-making and planning in low-income, aid-dependent countries. CAPE has worked with a range of donor and recipient governments as well as civil society organisations to research progress made in implementing country-led approaches and key constraints to their successful implementation. Our work has included a major cross-country study of the institutionalisation of the PRS process, which sought to identify changes needed to make it more successful, various studies for OECD-DAC into good practices by donors engaged in supporting the process, and a multi-donor training programme designed to improve donor behaviour in support of PRSs at country level.

Selected publications and reports

Strategic partnership with Africa: Budget support survey, Geoff Handley, with Erin Coyle and David Booth, 2007 and 2008.

Developing a long-term and influential role for the UN Development Cooperation Forum. Sue Graves and Simon Burall, 2008.

Enhancing accountability for the use of public sector resources: How to improve the effectiveness of Public Accounts Committees, Background paper for the triennial conference of Commonwealth Auditors-General. Edward Hedger, 2008.

Tales of the unexpected: Public financial management reform in difficult environments, Conference Report. Edward Hedger and Zainab Kizilbash Agha, with Geoff Handley, Tim Williamson, Nicola Blackford and Verena Fritz, 2007.

How do different aid modalities and coordination mechanisms affect institutional incentives and domestic accountability?, Tim Williamson and Zainab Kizilbash Agha, with Liv Bjornstad, Gerald Twijukye, Yamungu Mahwago and George Kabelwa, 2007.

Scoping mission into funding sources of UN agencies in Malawi: Towards a single budgetary framework, Geoff Handley, Simon Burall and Edward Hedger, 2007.

Study on measuring the efficiency of programme based approaches, PwC and ODI, 2007.

Evaluation of General Budget Support, Andrew Lawson and David Booth, 2004.

A review of experience in implementing medium-term expenditure frameworks in a PRSP context: A synthesis of eight country studies, Malcolm Holmes and Alison Evans, 2003.
Are PRSPs making a difference? The African experience, David Booth (ed.) Development Policy Review, Theme Issue, March 2003.

CAPE publications and reports are available at <http://www.odi.org.uk/PPPG/CAPE/publications.html>

ODI Working Papers

Reforming the international aid architecture: Options and ways forward. Simon Burall and Simon Maxwell with Alina Rocha Menocal. WP278, 2006.
(Re)building developmental states: From theory to practice. Verena Fritz and Alina Rocha Menocal. WP274, 2006.

ODI Briefing Papers and Project Briefings

Common funds for sector support, Zainab Kizilbash Agha and Tim Williamson, Briefing Paper 36, 2008.
Budget support to Ghana: A risk worth taking?, Tony Killick and Andrew Lawson, Briefing Paper 24, 2007.
Budget monitoring and policy influence, Paolo de Renzio, Briefing Paper 16, 2007.
Multilateral donors: Stakeholder perceptions revealed, Simon Burall, Project Briefing 1, 2007.
Promoting mutual accountability in aid relationships, Paolo de Renzio, Briefing Paper 1, 2006.

ODI Working Papers, Briefing Papers and Project Briefings are available at <http://www.odi.org.uk/resources/default.asp>

Overseas Development Institute

The Centre for Aid and Public Expenditure (CAPE) is part of ODI, Britain's leading independent think tank on international development and humanitarian issues. Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods in developing countries. We do this by locking together high-quality applied research, practical policy advice, and policy-focused dissemination and debate. Further information about the work of the Institute can be found at www.odi.org.uk.

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