

Policy Brief No. 4: Country ownership of development: Political correctness or a practical key to better aid?

When the many different efforts to improve development aid came together in the preparation of the Paris Declaration, country ownership of development and aid was the first major principle on which it was based.

The Evaluation shows that this was not just a “politically-correct” gesture or a concession to demands from partner countries. It was a tough challenge to both partner countries and donors to actually carry out their respective responsibilities and get better development results from aid spending.

No more “white elephant” aid projects

The hard lessons of experience in many countries had shown that much past aid had been ineffective and/or unsustainable because it had been driven or owned too much by donors. When the donors had (or still have) too much control in choosing, designing and implementing development programmes or projects, by definition they are unlikely to succeed or to be sustained. The host country and the intended beneficiaries must have a direct stake and sense of ownership at all stages, otherwise projects will not be maintained or will become heavy, unwanted burdens.

Every “donor-driven” project not only promotes dependency, but actually undermines the necessary processes of development. These only come through people and their own institutions taking responsibility, learning from experience, and building up the organization and practices needed to sustain progress.

Helping countries to help themselves, and to move beyond aid

The Declaration clearly recognized that aid was never supposed to make countries dependent on outside help, but the opposite - to help equip them to handle their own challenges without assistance, and the sooner the better. That is a definition of development.

Just as importantly, placing a major emphasis on the context in countries, the Evaluation drives home that aid is only one small part in the full range of resources – domestic and international, private and public – that any country needs to mobilize to generate development. This is not to say that aid does not matter, but that it should be seen and used as a limited, strategic catalyst or lever for development, geared to the particular gaps or needs in each country and with a view to phasing out the need for aid.

There is a clear mutual understanding in the Declaration that:

Partner countries commit to “intensify their efforts to mobilise domestic resources, strengthen fiscal sustainability, and create an enabling environment for public and private investments” and push ahead with better public financial management and transparency;

Donors in turn commit to “provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion, and rely to the maximum extent possible on transparent partner government budget and accounting mechanisms.”

The Evaluation finds that, given their respective starting points in 2000-2005, the largest number of partner countries has done a slightly better job than the largest number of donors and agencies in keeping their side of this bargain. Within both categories the differences in performance are wide, and particularly among donors.

There is a general trend of increasing flows of private resources, but it is still very uneven between countries, with a few middle income countries receiving the lion’s share. Public revenue mobilization in partner countries is stronger than is often popularly assumed, and there are clear directions for further improvements.¹

Meanwhile, the efforts countries have made in strengthening their public financial management systems has not been reciprocated by most donors giving them the expected support to improve - especially by relying on and using those systems² - or increasing the predictability of their own aid flows. The primary reason for the lagging performance of many donors is a growing reluctance to maturely face and manage risks in working with country systems.

The other approach is for donors try to keep direct control themselves, assuming that this reduces the risks of working with imperfect systems. The evidence for this Evaluation finds, as do other careful assessments, that this assumption is actually an

¹ A recent assessment by the International Monetary Fund shows a resilient tax effort across many developing countries and clear lessons, success stories and priorities to further improve the effort. See “Revenue Mobilization in Developing Countries” Fiscal Affairs Department, March, 2011

² It was always understood that country systems would be imperfect, needing help for improvement and sometimes appropriate special safeguards, but that the best way to help improve them would be to use them.



The Evaluation of the Paris Declaration

illusion. The attempt by a donor to control excessively is no safer, costs more, and also undermines long-term development benefits. It is important to note, however, that the Evaluation finds that some partner countries and some donors have done far better than the majority in advancing each of these improvements, thus showing what is possible. Progress is best where the donor community and the partner country have been prepared to work together in business-like ways to discuss and manage risks together.

Country ownership - by whom, for whom?

Another key and contentious issue around country ownership of development and aid has been about who in a country actually controls the decisions about how aid should be used. The Paris Declaration called for “broad consultative processes” and “dialogue with donors and encouragement for the participation of civil society and the private sector.” How could this wider national ownership be assured? Everyone knew that there would be serious challenges: first in getting a meaningful and useable national statement of a country’s directions and priorities to guide aid, and second in being confident that such a statement actually represents the priorities of a whole country, and particularly of the poor and marginalized, whom aid is most intended to help. It was also clear that the existence of national development strategies, specified in the Declaration would not be enough to ensure these conditions.³

Most of the “intended improvements” against which the Evaluation assessed performance would play a role in strengthening country ownership of development and aid – including those calling for better alignment and harmonisation of donors’ aid - but three are central:

Countries should have:

- i. Stronger national development strategies and operational frameworks

Both donors and countries should have:

- ii. Greater accountability to their respective citizens & parliaments
- iii. Reduced corruption and increased transparency

In terms of having national strategic frameworks in place, the Evaluation found that all countries are moving in the right direction, with almost all now reaching or approaching this goal. But there is much slower and more uneven progress in the more difficult tasks of setting out the operational frameworks needed to ensure that aid (and national activities) actually supports country priorities. In terms of directly assessing the broad consultation and participation in shaping strategies, the evaluations did not provide systematic coverage, but noted several ex-

amples, both positive and negative, and no marked improvement in direct engagement of the poor.

At the same time, timely publication of key information about aid flows, uses and results is the prerequisite for enhancing the accountability of countries and donors to their citizens and parliaments. In most countries, submission, scrutiny and acceptance of the key information and proposals by parliaments are both a major vehicle for public transparency and an important part of the legal process. At home, most donors have improved from a fairly high starting point in 2000-2005 on providing transparency on aid in general (some strongly so) but less well on their contributions to development results. Their anti-corruption efforts have been intensified under the international anti-bribery instruments of 1999 and 2009 together with monitoring and reporting on the performance of each signatory.

More partner countries are taking in hand the need to secure and publish donor information about aid in their countries. Two-thirds of the evaluations reporting find that countries’ own provision of information about aid has improved (most from a lower starting point). This also generally goes along with greater accountability to parliaments, and through them potentially to citizens at large. Only six evaluations address accountability to organised civil society, with quite mixed findings.

The measures needed to improve transparency in general have been progressing slowly to moderately in almost all cases and it is now clearly stronger in half the countries assessed. A range of anti-corruption measures is being attempted in even more countries, but appraisals by informed respondents and other sources cannot yet document the kind of tangible progress that would be needed to strengthen public support and the effective mobilisation and allocation of resources.

A concluding note

This breakdown of some of the key issues and Evaluation results around country ownership of development and aid aims to distil what this goal implies and why it is so important. There will always be debates about how much ownership there is, by whom, and how to assess it. These are essential questions of political debate in any society. But the Declaration, and the Evaluation, do shed light on some of the essential keys. The findings on the ways in which aid reforms have helped build in improved services in some countries’ own health systems is an example of progress in ownership. On the other hand, the failure in many countries to give greater priority to the needs of the poorest, especially women and girls, shows that they are not yet “owners” of their countries’ development and cannot benefit fully from even reformed aid.

³ In fact, this test, and the way it is defined in the Declaration’s first monitoring indicator, is more useful than it appears at first glance, but it does not directly capture the Declaration’s own concerns for broad consultation, participation and accountability.

