

## Worth the risk? Smarter aid to promote country ownership



Alina Rocha Menocal

‘Aid needs to be smarter – more politically aware, better attuned to context, more pragmatic, and more tolerant of risks – to support ownership more effectively’

The Paris Declaration of 2005 placed country ownership at the pinnacle of the new international agenda for aid effectiveness. At the Fourth High Level Forum on Aid Effectiveness in Busan, Korea, at the end of this month, ownership is likely to remain a crucial focus of aid effectiveness. Yet, despite the numerous commitments, declarations and proclamations that have been made, genuine country ownership has remained an elusive commodity in many aid recipient countries.

The expectation embedded in the Paris agenda and beyond is that national development strategies will provide a strategic policy framework oriented towards results that donors can support. But the Paris prescription takes too much for granted. It does not address how greater ownership of a development agenda is to be achieved; and it assumes that most countries already have development-oriented political leaderships at the helm of (relatively) effective and capable states. So ‘ownership’ tends to be viewed as something that is already there if only donors would be more consistent in their alignment with country development plans and priorities, *rather than as an outcome*<sup>1</sup> that needs to be achieved.

But in reality, the question of how genuine country ownership can best be supported remains the central challenge of the aid effectiveness puzzle – an issue that is particularly stark in fragile states. During a meeting of the ODI series on *Busan and beyond: aid effectiveness in a new era*,<sup>2</sup> Tony Blair made a compelling case about the need to *rethink ownership and leadership for development*<sup>3</sup> if international assistance is to become more effective. Blair’s core message was that improved governance is not simply about promoting transparency and accountability, important though they are, but also about helping domestic leaders build effective capability to get things done. According to Blair, empowering leaders in this way is crucial to give the concept of country ownership real substance and meaning.

This is an extraordinarily important and timely message<sup>4</sup> in the lead up to Busan – and one that is not obvious or risk-free. Taking the challenge of ownership and leadership seriously may call for a radical shift in political and public thinking about how the international development community can support domestic ownership and development in poor countries more effectively.

### Making aid smarter

Aid should not only be about the ‘what’ it can deliver, be it infrastructure or basic services, but also more fundamentally about the ‘how’ – *the process needed to get there*.<sup>5</sup> The ‘how’ also means that *aid needs to be smarter*<sup>6</sup> – more politically aware, better attuned to context, more pragmatic, and more tolerant of risks – to support ownership more effectively.

The main challenges to promote development are not financial or technical, but political. Some of the biggest constraints to improving development practice at all levels, from bottom to top, take the form of unresolved processes of contestation and (failed) collaboration. Often, cooperation proves impossible because there is a lack of trust, or because incentives are not aligned. For instance, the short-termism that electoral politics generate among would-be developmental leaders in poor countries – especially those that are ethnically fragmented and have weak and ineffective institutions – tends to contribute to a focus on narrow interests (e.g. winning elections), rather than to greater accountability or a concern for the broader public good over the long term.

Directly or indirectly, international development organisations can make a useful, and perhaps even indispensable, contribution in helping countries and their leaders overcome such institutional obstacles. Donors can, for example, play a key role in building trust and helping to shift incentives.

This was what the UK Department for International Development (DFID) sought to do

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### Box 1: *Programa de Aprendizaje Regional (Regional Learning and Exchange Programme – PAR)*

Since the 1990s, Latin America has experienced a substantial process of decentralisation, and sub-national governments have become key actors in the provision of basic services. Agencies with a large presence in the region, including the Inter American Development Bank (IDB) and the World Bank (WB), have prioritised sub-national lending and policy engagement. However, they have confronted important challenges related to the capacity of municipal authorities, both technical and more political. The IDB in particular had little experience of sub-national lending and was not well placed to fill in the policy vacuum at this level. Experiences suggesting ways of effectively channelling public funds to the sub-national level for pro-poor service delivery despite the prevailing political context did exist, especially from non-governmental organisations, but these were not widely shared or disseminated.

As a partnership between DFID and NGOs, think-tanks, municipal associations and municipal authorities across Latin America, PAR sought to capture untapped experiences and translate them into relevant policy messages to sub-national and national governments, as well as the IDB and WB. Activities included ‘engineering spaces’ in which experiences could be shared and disseminated in a multi-stakeholder environment, and the facilitation of dialogue and joint policy work among different stakeholders.

An *evaluation of the programme*<sup>7</sup> suggests that DFID’s contribution was indispensable, but not primarily in terms of funding. Rather, DFID played a critical ‘brokering’ role, moving deftly between the sub-national, national and international levels and getting the ear of senior government officials and Bank advisors. This opened up spaces for policy dialogue that had not been previously available. Among other things, PAR can be credited with providing missing linkages between key stakeholders and creating new policy-making opportunities, including on cross-border governance (Brazil–Bolivia) and on social protection (Bolivia). According to the evaluation, the PAR approach enabled DFID to impact on country policy and institutional environments in a way that would have been impossible through a focus on funding alone that did not capitalise on DFID’s role as connector.

with its Regional Assistance Programme (RAP) in Latin America. While the RAP had limited financial resources, DFID deployed them alongside intensive advisory staff inputs to influence the enabling environment for inclusive development. Some of the programme’s *initiatives were quite successful*<sup>7</sup> at brokering dialogue among a wide set of stakeholders at the local, national and international level, and at working with a diverse set of political parties on their potential role as agents of change (see Box 1). The Commonwealth Secretariat has also been doing innovative work to support more constructive engagement between permanent civil servants and political appointees at the centre of government in a variety of partner countries, especially in the Caribbean, as well as between politicians in government and in the opposition.

This role of donors as *brokers and facilitators*<sup>1</sup> is a crucial element of what the core of support to country ownership needs to be about. But it is tricky territory for donors, involving deeply political processes that are less tangible and more uncertain. It also requires sustained donor engagement over the long term, especially the support of qualified and committed staff in the field, in ways that the ‘doing more with less’ approaches now favoured by donors may make more difficult.

### The results dilemma

This brings us to the challenges that the current focus among (some) donors on results and value for

money may pose to the goal of promoting country ownership over the long term. A narrow focus on short-term and visible results – which donors tend to emphasise so that they can be accountable to their citizens – does not always provide the foundations to support effective, resilient and responsive states and institutions over time. Making aid smarter also entails recognising this dilemma more explicitly and educating the public in donor countries more fully about how difficult, complex and long-term the promotion of sustainable change in many of these settings is, especially in fragile states.

While accountability to taxpayers is obviously desirable, the challenge is to make domestic expectations more realistic and better aligned with the needs and realities of assistance on the ground. Crucially, progress is unlikely to be linear, so donors – and their respective publics – need to develop a *higher tolerance for uncertainty and setbacks*<sup>8</sup> in the aid they provide.

Some of these difficult and more political issues are not being emphasised in discussions around Busan, but the run up to the High Level Forum provides an opportunity to make them more central to international policy debate. Changing habits is hard. However, if donors and the rest of the international community really want to make a difference and help to facilitate reform processes, rather than act simply as providers of funds, they need to look at themselves and change their own ways of working.

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