

PRSP and The New Aid Paradigm: Principles and Problems

ITG – 7/3/2006

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The paradigm shift in the 90s

The failure of aid

The failure of aid modalities

Pressure for debt relief

The problems with projects

- Sustainability
- Lack of coordination / Creating parallel systems / high transaction costs for donor and recipient
- Fungibility
- Weak ownership
- Unpredictable aid flows

Moving toward budget support (GBA/SWAPs):

- Political institutional aspects: governance
- Ownership
- Downward accountability/participation
- Donor coordination-harmonisation-alignment

Principles of the new aid paradigm (PRSP)

- National ownership
- Civil society participation
- Comprehensive
- Poverty oriented - Results-based
- Partnership
- Long term perspective

Political assumptions behind the PRSP

National ownership	<ul style="list-style-type: none"> •State – government – political party – nation? •Supposes a consensus
Participation	<ul style="list-style-type: none"> •Who? What is civil society? Issues of legitimacy, mandate, representativeness? •Supposes an open political system
Comprehensive	<ul style="list-style-type: none"> •Supposes a minimal institutional capacity •Supposes a state: authority and legitimacy and capacity to coordinate
Poverty oriented and results based	<ul style="list-style-type: none"> •Supposes explicit choice pro-poverty ↔ ideology •Implies an evolution towards transparency and a change in the way national resources are distributed
Partnership	<ul style="list-style-type: none"> •Consensus between partners? Realistic?
Long term objectives	<ul style="list-style-type: none"> •Against the short term logic of democracy

Digging deeper...

The ultimate goal is

- A stronger developmental state (political performance)
- A stronger civil society (watchdog function and democracy enhancing role)

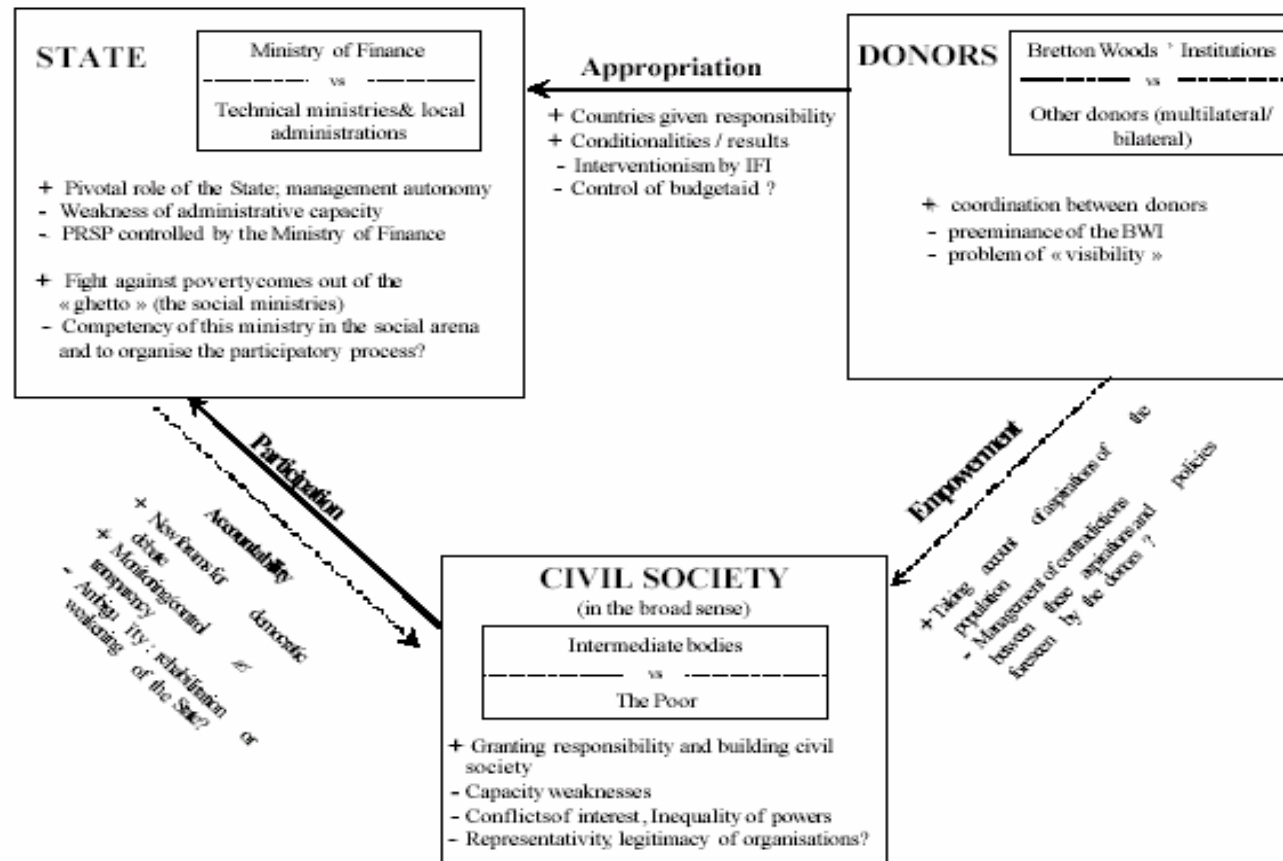


Positive impact on poverty and development

Positive impact on democracy

➔ = Political engineering

Reality check: principles and practices



Note: (+): positive points; (-): weak points, problems.

Source: Cling, Razafindrakoto, Roubaud 2002.