



Global Initiatives and the International Aid Architecture

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ITM Workshop

**Global health Initiatives: a
Country Perspective**

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Outline

1. Introduction
2. The new aid paradigm
3. DAC 2005 Paris Declaration
4. Assessing Global Initiatives against the new standard

1. Introduction

We describe **Global Initiatives** as follows

1. Sector oriented
 - global warming
 - agricultural research
 - tropical diseases, etc.
2. Programmatic focus
3. Multi-donor
4. Goals set at global level

2. The New Aid Paradigm

- Country focused

PRSP approach

- National 'ownership'
- Comprehensive
- Budget support & TA
- Institutional strengthening
- Policy dialogue
- Consensual conditionality

DAC 2005 Paris Declaration

- Alignment to national systems
- Donor harmonisation

The criticism of projects

- The New Aid Paradigm is a reaction against the perceived weaknesses of projects and structural adjustment policies
- Projects are criticised for failing to address collective action problems
 - on the donor side
 - on the recipient side

Donor collective action problems

The 'selfish donor'

- pursues development
- in ways that are visible and thus 'fake-attributable'
- in conformity with donor fads
- supervisable and accountable by donor standards

- even when doing so reduces the development impact of aid

How is development impact reduced?

1. Wasteful transaction costs imposed on the recipient
 - lack of standardisation of management procedures, financial reporting standards, etc.
2. Development planning weakened
 - national priority setting and planning undermined
 - fiscal planning: 'poaching' of recurrent cost
3. Public service undermined
 - 'poaching' of qualified staff

Donor-recipient collective action problems

- Here the recipient is cast in the role of the villain
- From this perspective, projects are understood as a form of conditionality, imposed by the principal (the donor) on the agent (the recipient)
- The argument against is that such project conditionality is largely ineffective because of fungibility

3. DAC 2005 Paris Declaration

12 progress indicators



9 related to donors

3 related to recipients

Nine donor-related progress indicators

3. Aid flows reported on budget
4. TA co-ordinated
- 5b. National systems used
6. Parallel PIUs avoided
7. Aid delivered on time
8. Aid untied
9. Programme-Based Approaches (PBAs) used
10. Donor missions and analytical work pooled
12. Mutual accountability assessments in place

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4. Assessing Global Initiatives against the new standard

- Are Global Initiatives the latest expression of donor selfishness?
- Critics argue that they share many features with traditional projects
 - wasteful transaction costs for the recipient
 - poaching of staff
 - poaching of 'recurrent costs'
 - undermining national priority setting and planning

When are global health initiatives good?

1. When they address global public goods
 - country-focused criticism loses its relevance in this case
 - but GHI often provide national or local goods or services
2. When they bring in additional financial means
 - that outweigh their external costs at country level

Lele, U., Sadik, N., Simmons, A. (2006). *The Changing Aid Architecture: Can Global Initiatives Eradicate Poverty?* World Bank Website

Thank you !

