

The New Aid Approach

The place and role of civil society

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Outline

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- The failure of two aid paradigms explained
 - Problems with involved actors
 - Problem with aid modalities: projects - Structural Adjustment Programmes
- Tackling failures from the past
 - The Principles of NAA
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The NAA as the third aid paradigm

period	Development is a question of...	Preferred aid modality	Attitude towards government
1960-1980	- Capital and capacities: physical, human	projects	Bypass
1980-2000	- Sound macroeconomic policies	policy based support (SAPs)	Bully
2000-	- Ownership - Governance (reform)	budget support	Engage

The failure of two aid paradigms explained: Problems at the level of actors

- Donor failures
 - 7 deadly sins: impatience, envy, ignorance, pride, greed, sloth, foolishness
 - => Aid is a political instrument
- Recipient government failures:
 - Lacking government commitment
 - Lacking capacities
 - => Explained by prevalence of particular political processes (history, colonialism, ...which have become deeply engrained)

The failure of two aid paradigms explained: Problems at the level of modalities: Projects

Strengths

- Allows addressing genuine poverty issues at local level
- Even in absence of a 'development state'
- Relatively simple to manage and supervise (log frame)
- High donor commitment
- High donor accountability

Weaknesses

- Weak national ownership (donor-driven priority setting)
- High donor and recipient transaction costs
- Institutional undermining of public sector
- Fragmentation of aid
- Weak sustainability
- Fungibility (WYS≠WYG)

The failure of two aid paradigms explained: Problems at the level of modalities: SAP

Strengths

- Sound macroeconomic management stressed
- Some technocratic governance issues addressed
- Institutional strengthening of public finance management
- Attractive modalities: budget support and balance of payments support

Weaknesses

- Government uncommitted
- Public opinion against
- Disconnect with bilateral donors
- Conditionality design faults
- Reform overload
- Long-term view on development missing

Tackling failures from the past: Principles of NAA

- Based on a solid diagnostic of failed aid:
 - Projects & policy based aid
 - Not sustainable
 - No significant macro effects

WE KNOW WHAT DOES NOT WORK
- Move to prescription
 - New principles firmly embodied in formal markers (PRSPs 1999, Paris Declaration 2005, Accra Agenda for Action 2008)
 - Overarching rationale: aid must be used as a leverage for reform – the state cannot be ignored
 - But no results as of yet (impact on the ground) → institution building is a long term process

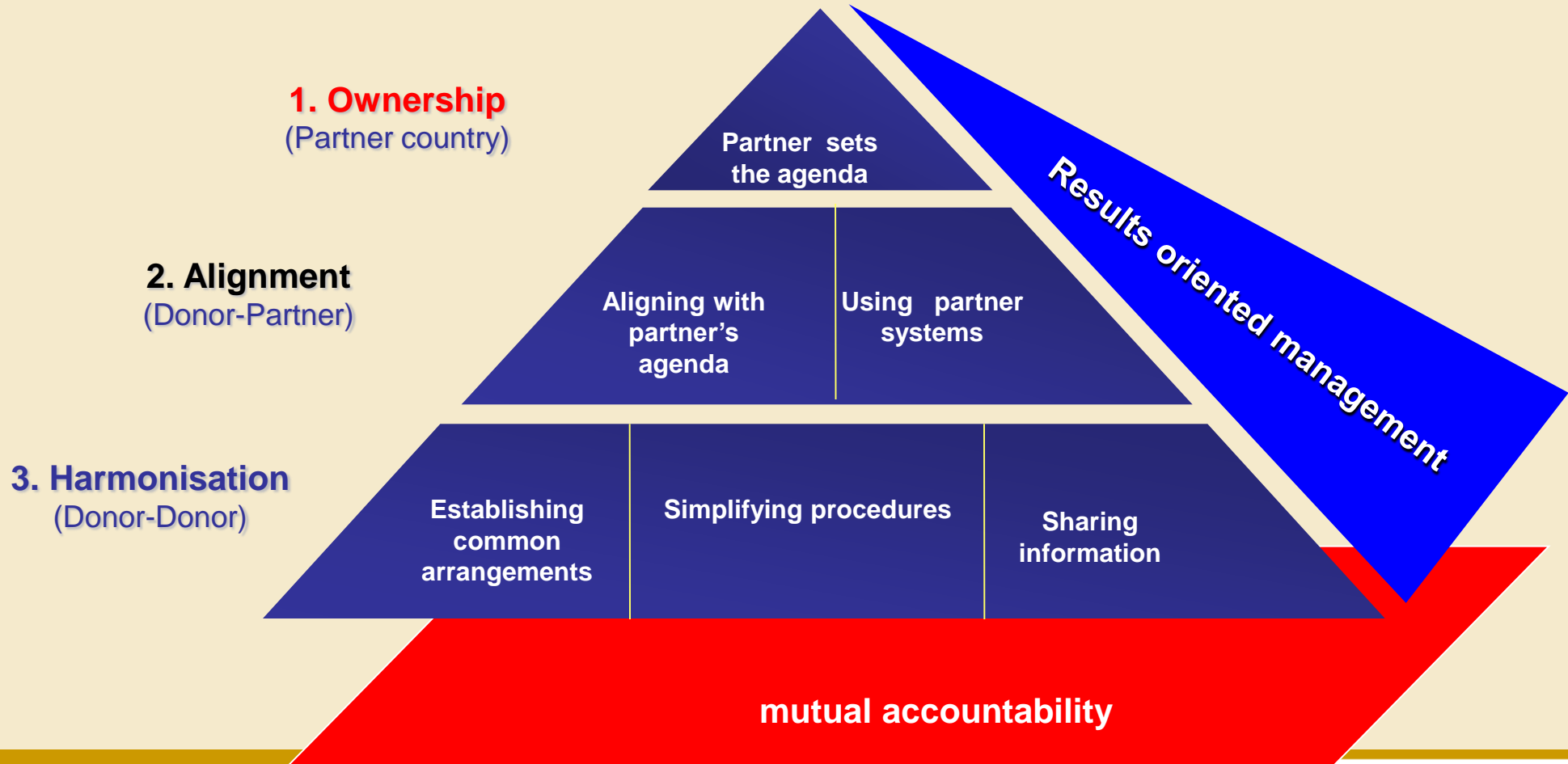
WE DO NOT KNOW WHAT WORKS

Tackling failures from the past:

Formal markers

- 1999: PRSPs
 - WB invented
 - A document, but also a 'model' for NAA
 - HIPC debt relief initiative
 - **Principles: country driven (national ownership, participation), resultsorientedness, comprehensive (poverty is key), partnership, long term perspective**
- 2005: Paris Declaration (see next slide)
 - OECD/DAC
 - 12 monitorable indicators
 - **Principles: ownership, harmonization, alignment, resultsorientedness, mutual accountability**
 - In practice: Mainly a European thing
 - Donors not practicing PD: USAID, Japan, Vertical Funds, Global Funds, New Emerging Donors (BRIC)

Paris Declaration (2005)



The role of civil society under the NAA: Evolution

The evolution seems sad

- Participation on the main menu:
 - A conditionality in first generation PRSPs
 - Lots of enthusiasm at the level of civil society
- Participation now a side dish
 - Civil society considered an important actor but no formal part of Paris Declaration
 - AAA endorses the importance of civil society alongside other actors: private sector, parliament, political parties

But I argue: evolution is in fact desirable and was actually very predictable

The role of civil society under the NAA: Expected Role

	↗ ownership	↘
Civil society participation	→ pro-poor effectiveness	→ poverty reduction
	↘ accountability	↗
	↘democracy ↗	

Shift in focus :

- Micro → Macro
- Project → Policy
- Beneficiary → Citizen

The role of civil society under NAA: Reality

- More than 60 countries have implemented 'nationwide participation processes' between 1999 and 2005.
- Participation processes closely watched, monitored and evaluated by a number of observers (direct stakeholders, consultants, academics, etc)
- Lots of 'grey' literature on the subject
- Evidence not very systematic

The role of civil society under NAA: Reality

Flawed results

- Mixed with respect to different stages in policy cycle
 - Formulation stage: impressive gaining of space to discuss social and economic policies, birth of umbrella-organizations and policy platforms, important role of INGOs → better contextualized & participative poverty diagnostics
 - Further stages: problematic, strategic agenda-setting by government behind closed doors, little impact on final strategy, gender dimension, minorities, ethnic issues lacking, weak M&E of civil society...
⇒ Lots of frustration and disappointment
- Mixed across countries
 - The aid paradox unresolved: participation worked best in countries where participative schemes already existed
- Experience launched a discussion on
 - Definition of civil society
 - Definition of participation
 - Roles of different actors (government, civil society)

Assessing participation in the paradigm

- An overtly optimistic notion of civil society
- A biased vision on state-society interaction
- A conditionality without ownership

An overtly optimistic notion of civil society

- The 'angelical' perspective on civil society
- The 'skeptical' perspective on civil society

- NAA adheres to the first: participation as an unmitigated good that can bring no harm – state-society relations can only be cooperative/complementary

A biased vision on state-society interactions...

- 'Denmark' as a long term goal
- But where to start tomorrow? At what stage must one introduce participation?
 - The more the merrier?
 - The sooner the better?
- Relates to some more fundamental questions
 - Is it economic growth → democracy/participation? Or rather Participation/democracy → economic development?
 - And within a somewhat more open setting: is it about pluralism or corporatism?
- Current donorthinking:
 - Good governance (incl democracy) → economic growth & development
 - Inclines toward pluralism

resulted in a mismatch with reality

- Context matters!
 - Political opportunity structure in 85% LICs is not open (40% is partially free, 45% is not free)
- Donors (& their resources) matter!
 - The making of civil society: NGO-isation
- Academic insights matter!
 - Pluralism is too naïve: Power is unevenly distributed in most societies - Governments are not neutral, have interests, may not be pro-poor – agenda setting power of the state...
 - Poor people tend to be poorly organized (interest articulation and voicing demands)
 - Civil society in LICs is weak, embryonic, has legitimacy issues
- Tracking the path of good developmental performers
 - Little to no room for civil society
 - Relatively authoritarian regimes
 - Policy influence limited to selected stakeholders (corporatism)

A conditionality without ownership

- Donor driven (sinning against own principles)
- Conditionality without sticks
- Therefore a lot of leeway for governments to side-pass stingy issues
 - Agenda setting: avoiding 'sensitive' issues
 - Inviting mainly government friendly organizations
 - Sending invitations out late, or not providing information/docs ex ante
 - Contributions were not included in final docs
- And interesting stuff going on outside that narrow PRSP participation box
 - Government clamping down on 'dissident' organizations (Bolivia, Rwanda, Ethiopia...)
 - Government designing more restrictive NGO/CSO legislation in the aftermath of the processes => undoing gained space

- Not likely to broaden ownership through participation
 - National consensus is impossible
 - Political life is about making choices & establishing priorities
 - Pro-poor choice may go against vested interests
- And maybe even not desirable
 - Reflection of all demands → wish list approach, christmas tree PRSP
 - Accomodation of all interests goes at the expense of a coherent development strategy
 - Government ownership is probably more important than broad based ownership
- Gvt ownership to development & poverty reduction is assumed, yet often problematic
 - Political elites stay in power notwithstanding poor developmental results. Why? The logic of neo-patrimonial systems
 - Reforming towards pro-poor performance is therefore not evident

Conclusion

- NAA has weak theoretical underpinnings regarding transformative civil society participation
 - Emphasis on pluralist visions of state-society interaction is unrealistic
 - Overambitious expectations
 - Participation as a 'one size fits all' condition is problematic + not seriously monitored
- => Dropping the participation conditionality is probably not such a bad idea

- To strengthen civil society is possible without these kinds of conditions: examples
 - Legal framework and its implementation/improvement
 - Use government attitude vs civil society as a selectivity criteria for flexible aid
 - Identify & support groups which voice pro-poor interests
 - Distinguish technocratic ways of involving civil society and more political ways of involving groups
- Donors need to become more 'political' in their analysis: good contextual analysis – avoiding politics does not make the messy reality disappear
- Participation should be a side dish, but chosen appropriately, to add texture and flavour to enrich the pro-poor menu.

THANK YOU

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