



### Development Aid and national ownership

#### A review of critical experiences from Africa: milestones, good practices, failures and future research options

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prepared for Promoting Ownership and Reforming Conditionality: Strategic Planning Workshop, 18-20 February 2008

#### Introduction

Ownership is at the core of the paradigm assessing the missing link between significant development aid inflows from the North and poverty reduction outcomes in the South. Central to this paradigm, is the belief that the way aid is delivered, as well as the origin of the related policy reforms, matter in making aid more effective (Ohno, 2005; World Bank, 2003). Despite this consensus, research shows that actualization of ownership cannot be taken for granted (Schlure/ Klasen, 2004). Thus, this paper shares insights on key experiences from several African countries<sup>1</sup> in ensuring ownership of aid programmes. These include good practice measures and factors that hinder the implementation of good advice on ownership. This piece also highlights major gaps in research, whose accumulated knowledge would help improve ownership or appreciate its real limits. Section two of the paper outlines the conceptual debate on ownership, section three analyses ownership experiences, section four highlights the influence of domestic politics on ownership and section five sums up the findings and research gaps.

#### The conceptual debate – ownership

SIDA<sup>2</sup> (2002) research finds that whenever ownership is used to explain a situation, it can dissolve into different aspects such as control and stakeholder interests (SIDA 2002). In the context of development aid, ownership is defined by many commentators at some point in a continuum of two extreme situations, one where an aid recipient country is in control of its policies and the donor relationship (Ohno 2005) and the other where donors control both aspects. It includes analyses of roles and relations between donor and recipient governments and between recipient governments and their citizens, with respect to capacity to set and take responsibility for a development agenda and sustain support for it (Saxby, 2003). Ohno asserts that true ownership should be based on the strong political will of national leaders to build a self-reliant economy (Ohno, 2005), entailing that the aid recipient country, has the capacity to choose from alternative policies. The World Bank (WB) takes ownership implicitly as adherence to policies which are not, necessarily, home-grown (Molina, 2007). This conceptualisation is weak as it reproduces the power imbalances between donors and recipients and misses the crucial dimension of national political economy that led to past mistakes (Molina, 2007). According to Weeks et al. (2006), ownership implies that in some cases donors must adjust their views to those of recipients entailing that donors realise that policy reforms related to aid programmes are not purely technical matters but inherently political requiring political choices.

There are many prominent features within the current aid regimes that still undermine national ownership. This

paper analyses recipient's ownership experiences on the basis of the following normative dimensions.

- The Initiative dimension – The locus of initiative must be in the government;
- The Technical dimension – Key policy makers must be intellectually convinced;
- The Institutional dimension – Evidence of integration in national institutional processes e.g. budget.
- The Political dimension – Evidence of public support from the top political leadership including parliamentary and broad-based stakeholder participation (Booth in: Bwalya et al., 2004).
- Donor Co-ordination – Means donors working together to make aid administration more efficient and effective (Ashoff, 2004).

On the donor's side, the analysis makes reference to ensuring ownership on the basis of the normative concepts of alignment, harmonisation and mutual accountability. The paper also discusses the impacts of domestic politics and donor governance politics on ownership.

Ownership being a relational concept, it is here conceived more from a dynamic than static perspective (Ohno, 2005). As opposed to analysis of ownership at a point in time at one stage of the policy cycle, ownership within the development enterprise is conceived as seeking ways over a number of years to democratise aid processes in a complex environment by shifting the balance of power in the favour of the legitimate direction toward Southern governments, institutions and citizens across the policy cycle from agenda setting to policy evaluation.

#### Ownership in practice

From the onset of Poverty Reduction Strategy Papers (PRSP) efforts have been made to improve ownership of aid funded development programmes with mixed results. Some efforts are still too new to draw conclusions on their impact. This section illustrates domestic actors and donor experiences working toward ownership.

#### The Role of Domestic Actors and Institutions in Promoting Ownership

##### The role of Central Government

*The initiative dimension – Does having National Development Strategies increase Ownership?*

While the 1st PRSPs were less nationally owned than the current plans (Seshamani, 2005), the loci of initiative for the 2nd wave of development plans have been with African governments<sup>3</sup>. However, it is also noted that the re-branding of the pre-existing nationally inspired Ugandan

Poverty Eradication Action Plan (PEAP) into the 1st PRSP is an example of a good practice for building ownership (World Bank, 2003). Despite this example, the current status of ownership is not very positive, for instance Mozambique's 2nd generation PRSP, as with other countries, still has its goals determined by donors, in the hope that it would secure steady aid inflows (Tamele, 2007). True ownership of Ethiopia's Plan is also limited as it contains a mixture of policies embraced by government and those meant to appease donors (Furtado and Smith, 2007). Observations across countries reveal that developing national plans is not enough to foster ownership as incentives such as short-term budget needs by aid dependant countries that trade off ownership are at play.

### *The technical dimensions – are donors standing back and allowing locally inspired technical solutions?*

Under this dimension, across countries situations remain poor. This is due to aid dependency and the powerful role played by International Financial Institutions (IFIs) through their economic conditionality, debt relief incentives and technical assistance programmes (SARPN, 2007; Tamele, 2007). Malawi's priorities in its new national development plan are not entirely acceptable to donors, this has forced them to consider re-adjusting their plan (AFRODAD, 2007a). Such experiences demonstrates that donor technical preferences still dilutes the ownership of these plans, as they end up sharing many common policies which may not be nationally strategic (Elberlie, 2007). Poor adherence to donor technical dictates have had punitive consequences, for example, in 2003 the IMF and EU withheld US\$100 million and US\$38million of pledged support when Zambia exceeded the IMF defined budget deficit by 0.4%, (Zulu et al., 2004 in Nkombo, 2007).

A paradoxical situation is Nigeria's lack of full ownership. Despite not being aid dependant, the country's agenda is still largely influenced by IFIs. The realities of a mono cultural economy, whose markets are exogenously determined, may offer an explanation to Nigeria's leaders' inability to (Olofin, 2007) operate independently from the IFIs.

Botswana and Ethiopia's experiences show that a focused political agenda, effectively led is a key pre-requisite to improving ownership. Despite a colonial legacy and starting off as highly aid dependant, Botswana refused donor proposals that did not fit well with its own priorities (Rakner, 1996; Nordas et al., 1998 in Ohno, 2005; Furtado and Smith, 2007). Its deliberate goal to eventually exit from aid by the effective use of both mineral and aid revenues emphasises the complimentary role of domestic resources in ensuring ownership and development outcomes. Ethiopia's sense of ownership also has its roots in its unique history of not being colonised; hence the government is more assured of its stature vis-à-vis donors, as they see the relation as that of equals (Furtado and Smith, 2007).

Inability of some countries to foster technical ownership has been also attributed to insufficient institutional and analytical capacities within government (Bergamaschi, 2007; CSPR, 2007; Tamele, 2007; Mwanawina, 2005). The role of technical assistance remains controversial as a response, the Government of Ethiopia (GoE) has proceeded on this issue by arguing that such assistance distorts incentives and work allocation within the public sector (Furtado and Smith, 2007).

Across countries, it is clear that technical ownership of their development agenda is still limited. Better off countries have managed due to having strong and focused political leadership. In contrast, aid dependency, weak political leadership and weak institutional capacities aggravated the situation in the worse off countries.

### *Institutional Dimensions – Are Aid inflows integrated in the Institutions of Aid Recipient Countries?*

Drawing on the Bank's advice on PRSPs, "for ownership to be meaningful, government institutions need to integrate the PRSP in its processes and structures" (World Bank, 2004), Uganda's PRSP experience showed efforts to link the strategic sector investment plans with the budgeting process (World Bank, 2003). Implementation of financial management reforms has enabled most governments to improve these links. In Zambia, such efforts include shifts to activity-based budgeting, the use of Medium Term Expenditure Frameworks (MTEF) and progressive resource increases in some sectors. Despite progress on budget reforms, successful implementation is limited by the weak planning and budgeting capacities in the government ministries (Natali, 2006). Poor civil service conditions make it increasingly difficult to attract and retain staff with the necessary skills to run government programmes (Mwanawina, 2005; Furtado and Smith, 2007). Consequently donors are more directly involved in programme implementation.

The link between PRSP and HIPC debt relief has been of primary concern to the institutional dimension of ownership as funds released from debt relief have been unpredictable (CIDSE, 2004). To enhance aid predictability, recipients have preferred the Direct Budget Support (DBS) modality. However, it has been criticized as it largely trades off ownership as donors are closely involved in setting of priorities for government action. The effect of clarified donor financing preferences in Ethiopia has allowed the government to direct its own money for services less favoured for donor funding such as capital projects, consequently, donor involvement in the budget process is very limited hence making it more nationally owned (Furtado and Smith, 2007).

While many challenges still exist in ensuring institutional ownership, most governments have taken steps to ensure that aid processes are better integrated into national budget processes.

### *Donor Co-ordination – Are Recipient Governments Co-ordinating Donors or are the Donors Co-ordinating them?*

While donor co-ordination has been conceived more as a donor- donor affair. This section analyses the extent to which recipients have informed and influenced donor co-ordination. Government control and ownership of development programmes is still diffused as officials still use much office time responding to donor requirements at the expense of their regular work (Tamele, 2007; Mwanawina, 2005).

In addition to promoting DBS, recipients have started formulating aid policies as another means to ensure enhanced donor co-ordination. A fundamental flaw in Zambia's Aid Policy is that it does not articulate a long-term aid exit strategy. It is aimed to provide a systematic and co-

ordinated approach for soliciting and utilising aid (MoFNP 2005). The expectation of increased aid receipts is expressed in Zambia's national plan, without a corresponding plan to exit from aid or respond to reduced aid. Some of the budget support donors are ready to scale up aid. This short term approach will increase dependency and in the long run prove to be one of the most dangerous DBS threats to ownership (CSPR, 2007).

Despite the increased harmonization initiatives most recipient governments still struggle to co-ordinate their donors, this is due to poor coherence of government policies and weak government capacities and donors' continued use of their own systems (AFRODAD 2007a). Box 1 below illustrates 9 features of the GoE aid management framework that acts together to enhance its ownership.

These features of the GoE system combined with its reluctance to have outsiders closely involved in domestic matters limits donor influence (Furtado and Smith, 2007). Overall, government leadership necessitates strong capacity to assume ownership over its development activities, especially capacity to collect, process, and disseminate information to monitor development co-operation. Donor co-ordination can be better when both the recipient and the donor – discharge their respective responsibilities in good faith including transparent and functioning communication among the donors and with the recipient government (Abebe, 2005).

*The Political Dimension of Ownership – Are CSO and Parliamentary Representatives Effectively Participating in Aid Processes?*

Since the onset of PRSP, there has been some opening up of political space for civil society multilevel participation in development processes (Mutesa, 2005). Such initiatives

include the tripartite structures comprising CSOs, Government and donors. Despite overall improvements, only a few countries have government–stakeholder dialogue institutionalized. However, good practice includes the independent evaluation of the PRSPs in Zambia and Tanzania by CSOs that provided inputs into the current national strategies. Some years of experience in contributing to national development planning and budget advocacy (CSPR, 2007; Elberlie, 2007; Seshamani, 2005) have helped position CSOs to play this role. In Tanzania, consensus has been reached between government and its donors to institutionalise the process of independent monitoring of the development processes (Tujan, 2004). However, it is generally observed that PRSP type policy formulation processes favour the well resourced and urban elite NGOs (War on Want, 2007), consequently provincial plans are significantly shortened when integrated into the national plan (CSPR, 2007; AFRODAD, 2007b). In Zambia, CSO sense of ownership of the development agenda is enhanced by the introduction of participatory formulation of the MTEF and the publication of an activity based annual budget (CSPR, 2007).

Uganda demonstrates a good practice in the area of institutionalised participatory policy monitoring that has enhanced ownership. (See Box 2).

In a few countries, media institutions and Parliament have together demanded accountability on misuse of public funds on the basis of the Auditor General reports. Consequently, the Ugandan government has established inquiries into the misuse of HIV/AIDS and immunization funds. These led to the arrest and dismissal of 3 ministers (Ekanya, 2007). While the media have played an active watch dog role, it has been criticised for focusing on the powerful elites, making it difficult for the voices of the poor to be heard (Banda, 2007).

**Box 1: Enhancing Ownership: Nine GoE Aid Management Framework Features**

1. Central Co-ordination of aid inflows - In contrast to other countries, the Ministry of Finance solely negotiates all aid.
2. Commitment to follow through with Agreed Policies. Once priorities are set – The GOE implements set priorities, this contrasts with other countries here as policies remain as drafts for years
3. Clear Division Between Political and Technical Engagements on Aid – GoE clearly designates mandates of aid discussions at two levels, the political level, which sets the broad parameters of the negotiations and the technical level which negotiates specific sector policy questions, and program design.
4. Built Manpower and Negotiating Capacity–GOE encourages its staff to improve their negotiation, project monitoring and evaluation, data management and analysis capacities.
5. Use of Donor Aid Proposal Focal Points and Culture of Performance – To avoid uncoordinated co- operation, GOE has designated a focal point for the submission of project proposals to donors. GoE uses performance reports to track donor assisted projects under implementation and to advise new donors on areas of need.
6. GoE Delineates Which Donors Can and Cannot Participate in Policy Forums – It insists that only those agencies providing budget support should participate in national budget discussions.
7. Balancing Traditional and Non Traditional Sources of Aid -Balancing a mix of aid sources has reduced the impact on ownership from governance or liberalization agendas related to traditional aid. It is also noted that, non traditional aid to some degree undermines ownership as it increases off-budget assistance effects.
8. Centralised Decision Making and Decentralized Implementation – Donor dialogue and negotiations are almost exclusively concentrated at federal level, while implementation of development programmes is at sub-national level.
9. Culture of Fiscal Discipline – A culture of discipline pervades GoE. With low corruption and seriousness of purpose, donors are limited to bulldoze the GOE at the scale they do in other countries.

Abebe 2005: Furtado and Smith (2007)

### **Box 2: Institutionalized participatory policy monitoring has enhanced ownership in Uganda.**

In Uganda monitoring of its Poverty Eradication Action Plan (PEAP) is carried out by a participatory structure known as the Uganda Participatory Poverty Assessment Project (UPPAP). UPPAP's monitoring results extend into the political decision-making processes. Extensive debates take place in public sessions quarterly addressing priorities set in the Poverty Action Fund which accounts for around 35 percent of the national budget. A number of NGOs actively participate in these meetings, which are also open to representatives of the donor community and journalists. Institutionalization of local level monitoring is done by community Poverty Action Fund Monitoring Committees (PMC)s (Eberlei, 2007).

With respect to new aid modalities, DBS experiences in most countries have contributed to further weakening of CSO influence by creating parallel donor-government dialogue structures where significant decisions are taken to which CSOs have no or limited access (Eberlei, 2007). Thus, DBS has been criticised for promoting upward accountability to donors as opposed to recipient citizens (CSPR, 2007; Curtis, 2007).

African Civil Society Organisations' (ACSOs) work in holding donors and government accountable, is further affected by its funding relations with Northern CSOs. Dependency of Northern CSOs (NCSO) on their governments for funding and facilities (Tamele, 2007) further compromises both their independence. The implementation of policy projects in the south by NCSOs is seen as usurping (Mozambican) ACSOs national political space. Both factors have hindered ACSOs ownership of the development agenda. In addition ACSOs policy monitoring work is hindered by limited donor financial support (Tamele, 2007). Despite the proliferation of NCSOs bases in the south, there is also a shocking weakness in their accountability work toward the roles their governments play in the same context they work that undermine ownership<sup>4</sup>. This is an interesting research area that needs exploration to determine all disincentives at play.

Overall private sector participation in aid processes is still very limited. It is very ironic that private sector participation is weak within an aid regime that has promoted market based policy reforms. One explanation for this weakness is that limited aid out of overall aid given is provided to enhance productive activities in aid recipient countries. However, more factors from both the demand and supply side of aid crowding out private sector participation need to be investigated if private sector participation is to be improved.

### **The role of Parliament**

PRSP and later experiences show that aid processes remain parallel to parliamentary processes, across the continent. This is due to absolute control the executive has in most African countries over budget planning, policy formulation and implementation (GTZ, 2005; Mutesa, 2004a).

In most countries IFIs are dismissive of greater involvement of parliament as the policies they seek usually run counter to political responsibilities of MPs. Curtis finds that the Bank's aversion to democracy was confirmed by one of its officials in Malawi, who noted that 'one of the problems the bank had was that some decisions have to go

through parliament' (Curtis, 2007). The role of parliament in aid processes is undermined by the fact that most constitutions of studied African countries notably do not provide for parliamentary approval of the development plans upon which development aid is given (Mwanawina, 2005; Chimango, 2002). In spite of this, the initiatives of parliamentary committees and the action by MPs to subordinate themselves to the PRSP consultative processes (Chimango, 2002) ensured that their voices were marginally included. In addition, parliamentary representatives' role in Uganda is enhanced by the implementation of the constitutional affirmative action provisions in political decision making provided in favour of marginalised groups (Kanoro, 2003). Under DBS, parliament still remains largely excluded from the aid management processes. A 2006 report of the Poverty Reduction Budget Support (PRBS) review in Zambia notes that Ministry of Finance was only to submit the PAF<sup>5</sup> to Parliament only for information (GRZ and PRBS group 2006). Thus, the discussion on the need to enhance the role of parliament in setting national priorities has been more rhetorical. However, capacity constraints, political opportunism and in some countries donor opposition (Malawi example) hinder democratic ownership of aid processes (CSPR, 2004; Eberlei, 2007).

### **Donor Roles and the Aid Architecture - Are Donor Roles and the Aid Architecture Processes Increasing National Ownership?**

#### **Alignment to National Priorities and Systems**

Since the signing of the Paris Declaration (PD), more donors are increasingly taking steps to align their aid to policies, strategies and systems of recipient governments. Despite this trend, there is still a significant lack of national ownership as aid still flows only to some parts of national strategies. As indicated earlier, an example of poor alignment of aid flows to national priorities is the case of Malawi. The breakdown of aid received in 2005/2006 shows that the social development theme was the most funded at the expense of other priorities such as irrigation initiatives aimed at reducing dependence on rain fed agriculture (AFRODAD, 2007a). The Dutch Ambassador to Zambia noted that donors had difficulties to align their aid with national development plans as they had their own priorities<sup>6</sup>. The World Bank and the EU support to Zambia are determined by their own Country Assistance Strategy (CAS) papers, which are said to be aligned to the Zambia's FNDDP. According to an official from the Ministry of Finance, while the CASs are endorsed by the Zambian government, they primarily reflect donor's interests<sup>7</sup>. The EU has made efforts to consult CSOs on the formulation of its funding strategies; however, CSOs have raised concerns on the limited nature of their influence on these EU processes (Mwambwa, 2007). Poor alignment could be explained by current experiences showing that donor's geopolitical and commercial interests run counter to alignment. A study on untying of aid has revealed that, in 2003 only 4% of the US\$50 billion development procurement business went to enterprises in the G77<sup>8</sup>+ China, 96% of it benefited the North<sup>9</sup>. This view was earlier supported by Maxwell Vander dern Berg's (1998) work.

In respect to alignment to country systems, donors still have multitudes of parallel project implementation

structures (Kapijimpanga, 2007). However, Ireland Aid's decision to finance the establishment of the Rural Water Supply and Sanitation Unit (RWSSU) as a constituent part of the Ministry for Local Government and Housing in Zambia serves as good practice for ensuring ownership through alignment to recipient systems. Government has since taken over financing of the RWSSU (Natali, 2006). In Mozambique, SWAPs are also helping external partners align commitments with the annual budgetary framework as well as annual PRSP and public expenditure reviews (AFRODAD, 2007b). There is a view that unless partner governments significantly improve financial systems, it will remain difficult for donors to align to recipient country systems. However, Ethiopia's low corruption record strongly counters this perspective as donors have not fully aligned their support to enhance ownership.

### Harmonisation

Harmonisation is driven by the need to lessen administrative burdens and costs<sup>10</sup> on partner countries resulting from varying and multiple donors mandates (Mwanawina, 2005). In response, donors have moved toward programme-based aid instruments by signing MOUs with their donors on say DBS and SWAPs. In Zambia, the DBS MOU provides for utilisation of common procedures for consultation and decision-making, disbursement mechanisms, monitoring and reporting, review and evaluation, audit, financial management, exchange of information and co-operation between the signatories (GRZ and PRBS group MOU<sup>11</sup>, 2005). The development of a single common performance framework and greater alignment to the annual budget cycle, indicate the positive aspects of DBS. In spite of these concerted efforts, financial flows continue to be primarily determined by bilateral agreements (PRBS and GRZ MOU, 2005). In practise this means government is assessed on a myriad of individual donor indicators. This also reflects donor unwillingness to conduct joint analysis, counter to harmonisation and ownership (CSPR, 2007).

To improve ownership of aid processes, donors in some countries have developed Joint Assistance Strategies aimed at eventually replacing individual donor strategies and operationalising the PD. The Joint Assistance Strategy for Zambia (JASZ) builds on the momentum towards harmonization launched in 2003 agreed between the government with the Nordic Plus group. With more donors joining, it has transformed into the Wider Harmonization in Practice (WHIP) agreement. Though relatively new, the JASZ already reveals weakness as it is also subordinate to bilateral agreements (Kapijimpanga, 2007). Ownership is further undermined by continued utilisation of other aid modalities whose combined requirements still exert enormous administrative burdens on government (AFRODAD, 2007b; Tujan, 2004). One way of addressing these burdens have been to produce a calendar of government donor processes and to identify quiet times<sup>12</sup> and engage in delegated co-operation (Tujan, 2004). In Zambia, 12 WHIP donors have committed to a mission calendar, co-ordinated from headquarters and in the field, updated monthly and shared with the Government (Natali, 2006). With respect to delegated co-operation, the case of Zambia shows that the division of labour among donors does not necessarily reflect competences in the sector<sup>13</sup>. A specific good practice in this regard pertains to consulting and informing the recipient

government as to the details of the delegated co-operation (Natali, 2006).

### Mutual Accountability (MA)

The principles discussed above which flow out of the commitments made in the PD sets out reform actions that must be implemented by recipients and donors if aid processes will be nationally owned and will ensure poverty reduction outcomes. In the current aid system, recipients are highly accountable to donors and not vice versa (Renzi, 2006). Progress with mutual accountability has been largely made through MOUs signed around DBS and PAFs. However, application of mutual accountability around the PAF has varied, in some countries donors are now being made to account where as in others criteria for donor accountability has been defined narrowly around improved predictability of aid flows. Since 2003, assessment of donors in Mozambique using the PAF has proved to be effective in pressurising donors to improve their performance regarding alignment, predictability, reduction of conditionality, and reducing transaction costs (Renzi, 2006). Using similar structures, the 2005 and 2006 Zambia PAF reviews report indicate that the review was not mutual. In 2006, Government was judged by its donors to have met 85% of the set performance targets. With regard to follow up actions, donors raised their issues and a list of action points for government to implement (GRZ and PRBS 2006 Review report). However, there were no corresponding rating and action points for donors from government, except for them to give an indication of future disbursements.

The main weakness of the PAF mutual accountability process is that it does not bind donors; donors still enjoy and entrench their power base. Aid harmonization initiatives are criticized for being an exclusive affair between the executive and its donors as they undermine the structures endeavouring to involve CSOs in the monitoring of development plans and resources. Further, additional information on either government performance or donor funding and conditionalities is not readily accessible to CSOs. In Zambia, the CSPR has attempted to take stock of all performance indicators and conditionalities demanded by donors, however, only multilateral institutions were open to sharing this information<sup>14</sup>. The existing MA attempts are ineffective as they by pass country public accountability functions such as parliament and the Auditor General. PAF's further limitation is that it is only applied to programme aid yet most countries still receive significant portions of other aid. African CSOs state that MA can be strengthened by opening up aid review processes to CSOs and by focusing on a major review around a single framework overseen by parliament based on the national strategy (CSPR, 2007). It has also been suggested that a framework of checks and balances between government, donors and CSOs should be applied in the same way as done with the three arms of government to ensure accountability between the three forces<sup>15</sup>. For effective mutual accountability, there is also growing recognition that the focus should be on development effectiveness not just aid effectiveness, hence a framework of indicators for mutual accountability should include the impacts of both aid and non-aid policies. The current lack of coherence between aid, trade, finance, security, immigration and drug policies is a source of concern as it can result in contradictory outcomes (Lockhart, undated).

Both the roles of donors and recipient are affected by prevailing and changing domestic political dynamics which in turn affect ownership. Thus, the section below discusses the influence of domestic and donor governance politics on ownership.

## Influence of political parties and political cycles on ownership

Domestic politics have affected aid inflows in the same way aid related political and economic governance conditionalities have affected domestic politics. Thus, the study of this relationship in both directions is essential, in understanding the extent to which national politics affect ownership of the aid process. Studying PRSPs in eight African countries, Booth finds that all were semi-democratized states; patronage based and had fragmented party systems and weak civil societies (Booth, 2001). This context has limited the role of political parties in ensuring wider ownership of the developing agenda. For instance a change of top leadership within the party and government, in Mali and Zambia (in 2001) ensured continued donor-government relations and not necessarily greater national ownership as policy reform priorities were largely still influenced by donors (Bergamuschi, 2007; Mwanawina, 2007).

Earlier Zambian experiences indicate that donors gave aid pretty much to buy reform and withheld it when these reforms were not implemented to their satisfaction. The national elections in 1991 started a 'donor MMD<sup>16</sup> honeymoon phase' of increased aid inflows based on reform promises. Towards the subsequent elections in 2006, most bilateral donors stopped disbursing programme aid on grounds of unfulfilled governance conditions. Despite these issues, project aid and debt relief continued flowing (CSPR, 2007). In this case, changing political cycles did undermine ownership as aid pledges were not honoured which led to implementation shortfalls.

In Uganda and Ethiopia, focused leadership around a domestic political programme has led to increased aid inflows and greater ownership. In Uganda, the failure of earlier reforms to end poverty led to a sharper poverty focus around the elections held in 1994 and 1996 (Ssewakiryanga, 2005). Similarly, the GoE and the ruling party's consistent policy stance have been driven, historically, by a concern with rural areas (Furtado and Smith, 2007). Both countries had seen their aid inflows grow rapidly. Such support had allowed for concrete achievements in terms of scaling up service delivery and reducing poverty (Renzio, 2006). In Ethiopia, the IMF finds that between fiscal years 2002–03 and 2003–04 food and coffee production had increased by 39% and 24% respectively. In the same year an estimated 324,000 households benefited from new irrigation works. In terms of education, while quality is still a big issue, in 03/04 modest improvements included a primary school national Gross Enrolment Rate (GER) of 68.4%, 2.4% above annual target; the secondary school GER (Grades 9–10) was 22.1%, 6.1% above the target set for 2004/05 and the planned 26,556 students were admitted to higher education in 2003–04 (IMF, 2006).

Changing domestic political dynamics in the same countries have also negatively affected aid inflows and consequently ownership. For example, when war broke out between Ethiopia and Eritrea in 1998, bilateral donors largely withdrew aid – leaving the sector programs

unfunded. This episode did substantial damage to donor-government relations, and created a deep-seated sense that the donors were unreliable partners<sup>17</sup>, consequently GOE managed to negotiated another form of funding support not DBS (Furtado and Smith, 2007). Similarly, following the arrests of opposition leaders post 2005 elections and 2006 in Ethiopia's and Uganda respectively, DBS was cut off (Curtis, 2007; Renzio, 2006).

While the influence of the political context on economic performance and poverty reduction is not disputed, questions as to the lack of democratic processes donors employ to pass judgment on a country's governance performance and abruptly withhold aid are plenty. In some countries, despite CSO perception of a weak democratic culture, aid still flows, hence confirming subjectivity and arbitrariness of the current donor diagnostic methods (CSPR, 2007). For example, in Zambia while donor's assessment of governance now seems to be positive (GRZ and PRBS donors, 2006), CSPR sees deep governance problems in the country. It has noted that presidentialism under the current Mwanawasa presidency has re-asserted itself with new institutions under the direct control of the president. In addition, policy reforms key for entrenching democratic governance such as on constitutional reform, decentralisation and the access to information bill have been delayed and popular voices frustrated. Thus, CSOs believe when its convenient for the donors they do get involved in national politics, while they choose not to respond when CSOs asks them to, on account of respecting sovereignty of the recipient state<sup>18</sup>. This vague use of governance conditionalities on recipients by donors as complainants, judges and juries at the same time has limited ownership of recipient countries (Mwanawina, 2005).

## Summary and conclusion

Despite ownership of aid processes being essential to aid and development effectiveness, evidence shows that it is a difficult goal to attain especially in all its dimensions. This is so because of the complex factors that simultaneously affect power relations between recipient governments and donors and between recipient governments and their citizens. Thus, ownership status can only be improved on the basis of serious simultaneous complimentary actions primarily taken by recipient governments and donors.

Despite efforts made by both recipient countries and donors to improve ownership, the overall status of ownership in most African countries is still very poor and situations vary depending on country contexts.

Except for Uganda, it is evident that initiating national plans is not enough to foster ownership as other incentives are at play that automatically trades off ownership. The Ethiopian case shows that true ownership is difficult to attain despite government assertiveness. Regarding the technical dimension of ownership, it's clear that ownership by aid recipients of their development agenda is largely limited across countries due to the powerful role played by IFIs in determining recipient's macroeconomic frameworks. The better-off countries have managed due to strong political leadership focused on implementing nationally defined priorities with or without donor aid. This leadership entailed optimising utilisation of aid receipts and complimenting its limits with targeted investments of domestic revenues. With regard to the institutional dimension of ownership, most

governments have taken steps to ensure that aid is better integrated in its policy implementation processes, primarily the budget processes. Despite attempts toward greater harmonisation, most recipient governments still struggle to co-ordinate their donors. On the basis of the Ethiopian experience, a number of features in its aid management framework have enhanced its ownership of the development process. Some basic pre-requisites for better aid co-ordination include transparency and functioning communication among the donors and between donors and the recipient government.

In worse off countries, ownership is compromised by aid dependency, weak political leadership and weak capacities for managing policies and public finances. Despite the significance of these factors, research does not explain the significant and relative importance of exogenous economic factors such as the impact of oil prices on ownership as is obtaining in Nigeria, which is not an aid dependant country. Further, research that explores how the complimentary role of domestic and aid revenues impacts on ownership and poverty reduction, within the constraints imposed by donor preferences would be instructive.

From the political dimension of ownership, evidence across countries notes that there is some opening up of political space for civil society participation in public policy processes though parliamentary participation remains poor. Effectiveness of created fora varies based on country dynamics. Noteworthy is the reality that participation of civil society post plan formulation continues to be largely vague and ad hoc. In a good number of countries, the general budget support processes have contributed to weakening CSOs influence in aid and development processes. This suggests that stakeholder participation is meaningful if it is rights-based, integrated into the domestic political structures and if its stakeholders are empowered and legitimate.

On the side of donors, efforts to ensure alignment, harmonization and MA efforts are few, have been half hearted and have had some contradictory effects. The use of budget support and SWAs have on one hand increased predictability and use of common arrangements but on the other hand have reduced overall ownership due to tendencies by donors to get heavily involved in priority setting. Poor alignment is in part explained by prevailing experiences showing that, individual donor's political and commercial interests run counter to alignment and harmonisation agendas. Despite some improvements in mutual accountability mechanisms, the PAF mechanism remains weak and heavily criticized for 1) its inability to ensure mutual accountability systems for all aid and 2) for its unbalanced and undemocratic methods of operating. Thus, accountability is still skewed in the direction of donors. There is also a growing recognition among donors and recipients that their core business is development effectiveness, hence a framework of indicators for mutual accountability should include the impact of aid and non-aid policies on development outcomes. Donors have also not behaved in a uniform way across countries in terms of behaviour expected of them to enhance ownership. For example, the handling of privatisation agendas in Ethiopia compared to other countries where donors used their financial resources to force it is a case in point.

In an aid regime where implementation of good advice is voluntary, significant progress in future on ownership will

require a formidable incentives framework that will compel donors to get serious on their responsibilities on alignment, harmonization and mutual accountability. Genuine mutual accountability can only be possible if mutual interests are comprehensively discussed and agreed. This approach demands a radical and broader approach to understanding imperatives for provision of aid that include that aid is essentially provided to achieve a range of aims for donors that go far beyond altruistic motives. Thus, research on the impact of other non aid policies of donors that operate in aid recipient country contexts would help unravel donor country hidden interests upon which incentives for greater compliance to good advice can be developed to address the current limits to true ownership.

Domestic politics have had positive and negative impacts on aid inflows and country ownership. Possibilities of greater ownership largely depend on domestic political factors, particularly a strong leadership with a focused political agenda it is able to defend. However, concerns exist on the negative impact of perceived arbitrary application of un-validated governance conditionalities by donors when aid is turned on and off. Thus, more research on how specific aid related political and economic governance conditions have affected domestic politics and national ownership would be of interest to arrive at mutually agreed democratic criteria which can be more usefully applied.

Harnessing opportunities within the domestic political environment and a robust search for appropriate incentives for compliant behaviour by donors will be key in overcoming barriers to greater ownership in future.

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## Endnotes

- <sup>1</sup> The paper reviews ownership experiences from 9 African countries namely Ethiopia, Ghana, Malawi, Mali, Mozambique, Nigeria, Tanzania, Uganda and Zambia around key aid instruments namely Poverty Reduction Strategy Papers, General Budget Support, Sector wide Approaches (SWAps) and project approaches.
- <sup>2</sup> Stands for Swedish International Development Agency
- <sup>3</sup> Zambia has developed its Fifth National Development Plan and Vision 2030, Malawi has the Malawi Growth and Development Strategy and Vision 2020 and Ethiopia has the Programme to Accelerate Sustainable development to Eradicate Poverty PASPEP/PRSP (AFRODAD 2007a: AFRODAD 2007b)
- <sup>4</sup> There is more accessible literature of INGOs, undertaking aid policy monitoring based in the north, than through their offices based in the South.
- <sup>5</sup> PAF stands for Performance Assessment Framework
- <sup>6</sup> The Post Newspaper - Monday 1st October 2007, Zambia
- <sup>7</sup> Interview with an official from the Zambian Ministry of Finance (Anonymous) – August 2007
- <sup>8</sup> The Group of 77 is the largest intergovernmental organization of developing states in the United Nations, which provides the means for the countries of the South to articulate and promote their collective economic interests and enhance their joint negotiating capacity.
- <sup>9</sup> UNDP official at the Ministry of Finance and National Planning (Mo FNP) and AFRODAD: Inter Regional Dialogue on Aid Effectiveness Workshop “Ensuring Aid Effectiveness – The way to Sustainable Development” 16–19 October 2007, Lusaka, Zambia
- <sup>10</sup> Tying of aid adds an estimated 20% to costs of providing aid, approximately S\$7 billion. See endnote 8 for complete reference.
- <sup>11</sup> The Memorandum of Understanding between the Poverty Reduction Budget Support (PRBS donors) and The Government of the Republic of Zambia. The PRBS Group comprises DFID (UK), the European Commission, Netherlands, Norway, Sweden and the World Bank
- <sup>12</sup> A time when governments and donors agree to minimise meetings, reviews and missions
- <sup>13</sup> Netherlands Embassy official attending Ministry of Finance and National Planning (Mo FNP) and Civil Society for Poverty Reduction (CSPR); National Consultative Workshop on Civil Society and Aid Effectiveness. Lusaka, Zambia. 18–19 September 2007
- <sup>14</sup> CSPR/MOFNP National Consultative Workshop on Civil Society and Aid Effectiveness. Held at Cresta Golf View Hotel. Lusaka, Zambia. 18–19 September 2007
- <sup>15</sup> Prof. Venkatesh Seshamani, participant attending CSPR/MoFNP National Consultative Workshop on Civil Society and Aid Effectiveness. Held at Cresta Golf View Hotel. Lusaka, Zambia. 18–19 September 2007
- <sup>16</sup> MMD stands for Movement for Multi-party Democracy, The ruling party in Zambia.
- <sup>17</sup> Donors in most similar cases do argue against recipients unreliability
- <sup>18</sup> Interview with member of OASIS forum. The OASIS forum is a broad based CSO Platform campaigning for a people drive constitution in Zambia

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