

## Poverty and Aid Ineffectiveness in Africa

*Aid to sub-Saharan Africa has not contributed enough to reducing poverty or creating sustainable conditions for economic development. Aid, in some cases, has even contributed to lower growth by encouraging corruption, weakening internal government mechanisms for aid management, and promoting debt service at the expense of the provision of social services. Other problems linked to the ineffectiveness of aid are donors' disbursement frameworks and procedural requirements of aid when dealing with developing countries.*

Discounting the oil-exporting and post-conflict countries, the countries receiving the highest aid flows in sub-Saharan Africa are also the most indebted. Of the world's forty-two Highly Indebted Poor Countries, thirty-four are African. Make no mistake: aid dependency and poverty are highly correlated, with no consensus as to the direction of causality.

Indebtedness has been a major obstacle to Africa's efforts towards economic growth and social development. The resources directed to debt service are done at the cost of investments in human capital and infrastructure, which has had the ripple effect of dissuading private investment. The dependency on development finance for the general functioning of sub-Saharan African governments emphasises the need to analyse the *effectiveness* of the aid, with a specific enquiry into why it has not accomplished what was intended, the eradication of poverty.

### Evidence of progress beyond the Paris Declaration

In this light, there have been a number of world gatherings on aid and development priorities. The Millennium Development Summit, in 2000, committed to making certain development goals (MDGs) a reality for everyone. MDG number 8 is to develop a global partnership for development which deals specifically with aid. The Conference on Financing for Development, resulting in the Monterrey Consensus, highlighted the need for a substantial increase in official development assistance policies and practices. It stated that greater efforts are necessary in both donor and recipient countries to improve the effectiveness of aid. The Rome High-

Level Forum, in 2003, which resulted in the Rome Declaration on Harmonisation, sought to ensure that donor assistance is aligned to recipient countries' development priorities. Finally, the Paris High-Level Forum in 2005 identified that the quality of aid is a function of both donor and recipient country policies and practices. The Paris Declaration goes beyond previous agreements by expanding on the key principles of ownership, alignment, harmonisation, managing for results, and mutual accountability, with the purpose of improving aid delivery in a way that best supports achieving the MDGs by 2015.

It is against these international commitments that AFRODAD initiated a study to gather the evidence on the post-Paris Declaration aid environment to evaluate the progress made against the principles and targets developed in the Paris Declaration. The study was commissioned in Ghana, Kenya, Liberia, Malawi, Mozambique, Uganda, Tanzania, Senegal, and Cameroon.

Recipient countries committed to harmonising their internal processes and integrating the various agencies involved in **planning**, **budget** development, and **financial management**, which is essential to reducing the transaction costs associated with aid delivery. It also streamlines the aid architecture, reducing both the costs associated with the process of consultation and the gaps between government ministries and civic groups. From a civil society organisation (CSO) perspective, it reduces the costs incurred by CSOs of seeking spaces in both budget processes and planning processes, assuming the move towards streamlining is effective.

### CSO participation needs aid advocacy skills

Generally, it is observed that the role and participation of CSOs in both planning and budgetary processes needs to be institutionalised. It was noted that in some cases CSO participation was mostly as a result of ad hoc meetings, rather than being identified as a core stakeholder group through which consultations must occur. CSOs must look for the space to integrate their interests within national

frameworks, rather than government extending the necessary invitations to collect opinions and perspectives. As well as the planning stages, another entry point for CSOs is at the monitoring and evaluation stage of development programmes.



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The new expertise required for CSOs to engage their governments in this way has hampered the broader participation of CSOs. Civil society organisations tend not to have research and advocacy programmes around aid issues as their core activity. Rather, they are strong on their respective **thematic** areas like trade, education and health. They are recognising the need to develop the capacity to interact with the relevant public institutions regarding national planning and public financial management. Northern CSOs can assist in this regard.

The Paris Declaration fails to adequately address the relationship between Northern and Southern CSOs. Some experiences find Northern CSOs as 'retailers' of aid. Others impose their own programmes on Southern CSOs for implementation. As Southern CSOs negotiate for space within the general budget, there is a need for Northern CSOs to maintain their watchdog functions and balance the weight of bilateral donor interests.

AFRODAD's country case studies on aid management and donor harmonisation can be accessed at: [www.afrodad.org/index.php?option=com\\_content&task=view&id=58&Itemid=101](http://www.afrodad.org/index.php?option=com_content&task=view&id=58&Itemid=101)

or:

[http://betteraid.org/index.php?option=com\\_content&task=view&id=54&Itemid=26](http://betteraid.org/index.php?option=com_content&task=view&id=54&Itemid=26)

African Forum and Network on Debt and Development (AFRODAD).

Email Nancy Dubosse, Programme Director Research and Policy Analysis, at [nancy@afrodad.co.zw](mailto:nancy@afrodad.co.zw)