



Club du Sahel
Organisation for Economic Co-operation and Development

OLIS : 26-Sep-2000
Dist. : 27-Sep-2000

Or. Fre.

CLUB DU SAHEL

SAH/GMAP(2000)15
For Official Use

Ministerial Lobby Group

AID REFORM

Summary Paper

This document has been prepared for the meeting of the Ministerial Lobby Group, which will be held in Paris, on 2-3 October, 2000.

Declassified

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AID REFORM

Summary Paper

"The key to the future of development cooperation in the Sahel is the extent to which Sahelian institutions can take on the responsibility for managing aid. Will players continue to be passive beneficiaries or will they seek to become active users of aid resources to advance their own strategies?"

The responsible management of aid depends on the detailed monitoring of development cooperation operations that are part of an overall strategy, subsumed in a wider development purpose. It depends on the ability to refuse, choose and adapt the actions proposed, and to formulate one's own requests."¹

The purpose of this summary

The purpose of this paper is to contribute to GMAP (Ministerial Lobby Group) debates at the meeting on 2-4 October, 2000. It is based on a short summary of achievements and outputs of the Club du Sahel Secretariat's Aid Reform programme. It hinges on the following questions:

- the topics and principles the GMAP has defined as priorities
- the links between these priorities and the Club du Sahel's mission
- the technical approach to the debate
- the political approach to the debate, with Bamako 2000 in view.

I. The main themes and principles the GMAP has identified as priorities

In its work and discussions with aid agencies, the GMAP has identified some themes and principles (sixteen are listed in the report of the Strategy and Policy Group's (SPG) Washington meeting of June 16, 2000) that must now be translated into action. The principles fall into four distinct categories, constituting four separate programmes that could be submitted for debate at Bamako 2000. These categories are of course linked. For each one, this paper attempts to define the essentials of an action programme, for discussion at the Paris meeting on October 2, 3 and 4. Defining priorities requires particular attention, for while proposals and principles abound, there is little experience or actual practice in the field. With a view to the special GMAP meeting to be held in parallel with the Bamako Summit, it is essential to work out a synthesis of these elements and translate them into a policy proposal for the political authorities in Africa and the North.

1.1. African involvement in the debate

The extract from the book *Finding problems to fit the solutions: twenty years of aid to the Sahel* quoted above is a neat summary of the fact that the future of aid depends on improving African ownership of the aid system. At present, this issue is mainly being debated in the North; although this imbalance is

1. *Finding solutions to fit the problems: twenty years of aid in the Sahel*, J.D. Naudet, OECD/Club du Sahel, 2000.

regrettable, at least it shows that donors are keen on finding solutions to aid-related problems (the Cooperation 21 exercise being a good example). But the low level of African participation is a major problem. It seems that the only African attempts to discuss the issue are taking place country by country, and are not fostering a collective approach by aid recipients. Meanwhile, donors are also having great difficulty addressing the issue collectively.

How can greater West African involvement in the aid debate be encouraged? Can aid agencies start discussing with the sub-region directly or inside such bodies as the Development Aid Committee (DAC) and Strategic Partnership with Africa (SPA)? Can the sub-region speak with one voice on the issue?

This paper proposes that the GMAP work out, in consultation with stakeholders in African countries, a proposal for a set of improvements to cooperation practices (both principles and actions).

This proposal, identifying responsibilities on both sides, results to be sought and obstacles to be removed, will be discussed at a Round Table with the DAC and implemented either comprehensively or in particular sectors and countries, wherever African governments and aid agencies are willing.

In particular, it will address the other elements of the action programme set out below. The programme could also include an examination of aid problem from regional angle, in consultation with interested aid agencies.

1.2. *Beneficiary control of aid*

How can local expertise in programme execution be fostered in practice? Based on analysis of the current situation, are there proposals that can be made and implemented to increase the use of local companies and consultants for executing and/or managing projects? Is there a group of donors and African countries interested in discussing, and implementing locally, ideas for promoting local markets?

1.3. *Management of aid*

Several of the GMAP's proposals relate to procedural problems:

- On what conditions can donors agree to use aid beneficiaries' own procedures?
- How to simplify, reduce and standardise procedures? Which ones?
- Can procedures for procurement of goods and services be harmonised?
- Would it help these improvements to set up networks of inspectors from aid agencies and beneficiary countries, especially for harmonisation of beneficiaries' procedures and their acceptance (certification) by donor community? Everyone agrees on the need to build up beneficiaries' capacity to manage aid by trying out, for example, a certain number of specific actions such as harmonising financial reporting, joint audits and evaluations, monitoring of financial flows, etc.

From practical examples, the GMAP can propose to aid agencies some practical improvement measures by way of experiment. Lessons drawn from Mali's experience could be useful for choosing measures to be tested in other countries.

1.4. The conditionality issue

If international cooperation system is getting more and more complex, this is not just because procedures and methods of the different donors are complex but also because of the aid agencies' tendency to be forever adding new policy conditions (gender, environment, good governance, poverty reduction, 20-20 agreement, combating corruption, democratisation, defence budget limitation, etc.). Today, this cumulative process with conditions piled one on another has reached dizzying (and worrying) heights of complexity, especially in cofinancing agreements. This directly affects the level of aid disbursement.

There is a similarity between subsidies and conditionalities: new ones are added over current ones and this phenomenon leads to incoherent and inefficient systems. It is now urgent to think about the level of conditionalities compatible with the development of ownership and African responsibility.

II. Relationship to the Club du Sahel's mission

Analysis of the priorities defined by the GMAP also raises the question of its relationship to the value added provided by the Club du Sahel and the Club's specific mission in the debate on aid reform. Here the need to avoid duplication or competition between different bodies and competencies is obvious. To frame the debate, it is helpful to bear in mind that the Club du Sahel can lay claim to comparative advantage over such bodies as the SPA, DAC and Global Coalition for Africa (GCA) in four fields:

- Capacity building for southern partners' networks so that they can take part in the debate on aid future (**South-South debate**);
- Analysis of aid facts in the field, including spotlighting good and bad practices;
- Concentrating on the Sahelian and coastal countries of West Africa;
- Its capacity to act as facilitator between African and donor country positions (**South-North debate**).

These four missions are obviously tightly interconnected; they must be run in synergy:

- **Strengthening and participation of the African partner networks.** At present there is consensus agreement that the debate on international cooperation future is not just the business of donors and political authorities of recipient countries. African ownership of the debate, and cooperation itself, require that representatives of different segments of civil society strengthen, widen and deepen this debate. Facilitating the South-South debate is obviously a key requirement for a deep-rooted, democratic debate.
- **Inventory and analysis of the reality and practices of international cooperation.** The limiting factor in the debate is not the lack of political principles and moral considerations on aid reform, but rather the lack of experiments in the field. The Club du Sahel Secretariat has proven its capacity to record and analyse such experiments, and it wishes to strengthen this aspect of its work. Lessons to be drawn from field observations concern both good and bad practices; with an examination of both, ground truth can nourish and facilitate the debate with a view to promoting the interests of direct and indirect beneficiaries.
- **Focus of Club du Sahel Secretariat action on the Sahelian and coastal countries of West Africa.** The debates in other fora such as the SPA and DAC are broader in scope and seek to identify overall, consensus-based solutions for the entire aid system. While this is obviously useful, it also seems that the specific features of West Africa and its sub-regions should be addressed. The Sahel sub-region

deserves special attention not only because of its high degree of ecological and economic vulnerability, but also because it is one of the regions that receive most aid. And yet one cannot examine and understand the Sahel without taking account of its interdependence with the coastal countries; this interdependence has many implications for aid strategy and practice (AIDS pandemic, river basin management, winning back regional markets, etc.). The Club du Sahel means to fulfil its role in addressing this regional dimension – a task that is indispensable, and which can also help overcome the difficulty of developing debate between French- and English-speaking cultures.

- **Facilitating debate between North and South.** We emphasised above that one of the most important factors explaining the anaemic state of the aid reform debate is the low level of participation by African representatives. It is an illusion to think one can achieve responsible participation by African partners if they do not have access to the aid debate and relevant information (ideas papers, evaluations, summary reports, etc.). The Club du Sahel can be the forum where parties from North and South can meet, and where information flow about current and future international cooperation can develop.

III. A technical and political approach in the lead-up to Bamako 2000

- The GMAP proposed a certain number of topics and principles that guide the work program on aid reform. To go further, it still lacks a discussion partner in the North and a decision-making capability.
- Difficulties encountered in the debate in the North (SPA, DAC) are no doubt largely due to the lack of African discussion partners.
- African opinions cannot make themselves heard more clearly without a minimum of investment to help establish the structures, organisation and institutions through which they can be expressed.
- The "technical products" produced, at the request of the GMAP, by the Club du Sahel Secretariat's aid reform programme, need to be relayed by a **political** platform, which alone can bring these ideas into the debate in international fora.

An African platform for discussing and making proposals?

The "products" the Club du Sahel Secretariat's aid reform programme is currently developing at the GMAP's request are a mixed bag; they are also at different stages of development. It will be useful to harmonise them, and they ought to be discussed within a wider African forum. In this connection, strengthening the various African networks is an important factor for ensuring that these issues are taken on board by political decision-making bodies and beneficiary groups in civil society. Creating an African platform bringing together different African partners might be one option for achieving this.

This African forum, made up of **committed** representatives, might constitute a more solid basis for developing professional, structured analyses and developing genuinely African positions.

This forum would be the African equivalent of the SPA or DAC, and could develop the dialogue the fora of the North have been pursuing for decades without significant African participation.

The assessors of DAC and SPA activities are unanimous in saying that these bodies find it enormously difficult to take account of Southern beneficiaries' viewpoints. The new platform, an African SPA, could strengthen African position and promote Southern viewpoint, capitalising the ambitions of African partners. It would also seem that the GMAP proposals need to be analysed and their priorities defined more thoroughly so as to mobilise political commitment in Africa and in the international community. Interest in the issue of aid reform, which is still often a minority concern, could increase significantly if the debate spread and developed in West Africa. Discussion in and between civil society networks could arouse the political will which is also often lacking at present. Lastly, the lack of information on international cooperation in West Africa could be addressed by a specific project to input more information: a website, an internet discussion group, etc.