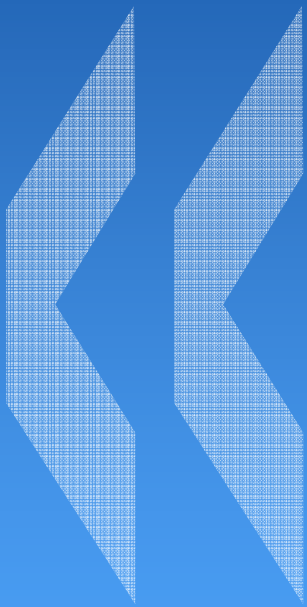
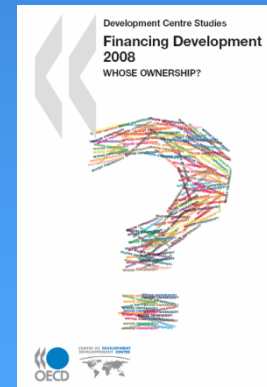


Whose ownership?



OECD Development Centre
www.oecd.org/dev



Paris Declaration and the Accra Agenda for Action

PARIS DECLARATION PILLAR		OPTIONS FOR ACTION
I	Ownership & Alignment	A. Medium-term predictability
		B. Conditionality
		C. Capacity Development / Technical co-operation
		D. Country systems
		E. Untying aid
II	Harmonisation	F. Division of labour
		G. Incentives
		H. Countries in fragile situations
		I. International aid architecture
III	Managing for Results	J. Managing for results
IV	Mutual Accountability	K. Transparency & accountability
		L. Mutual accountability
		M. Role of civil society

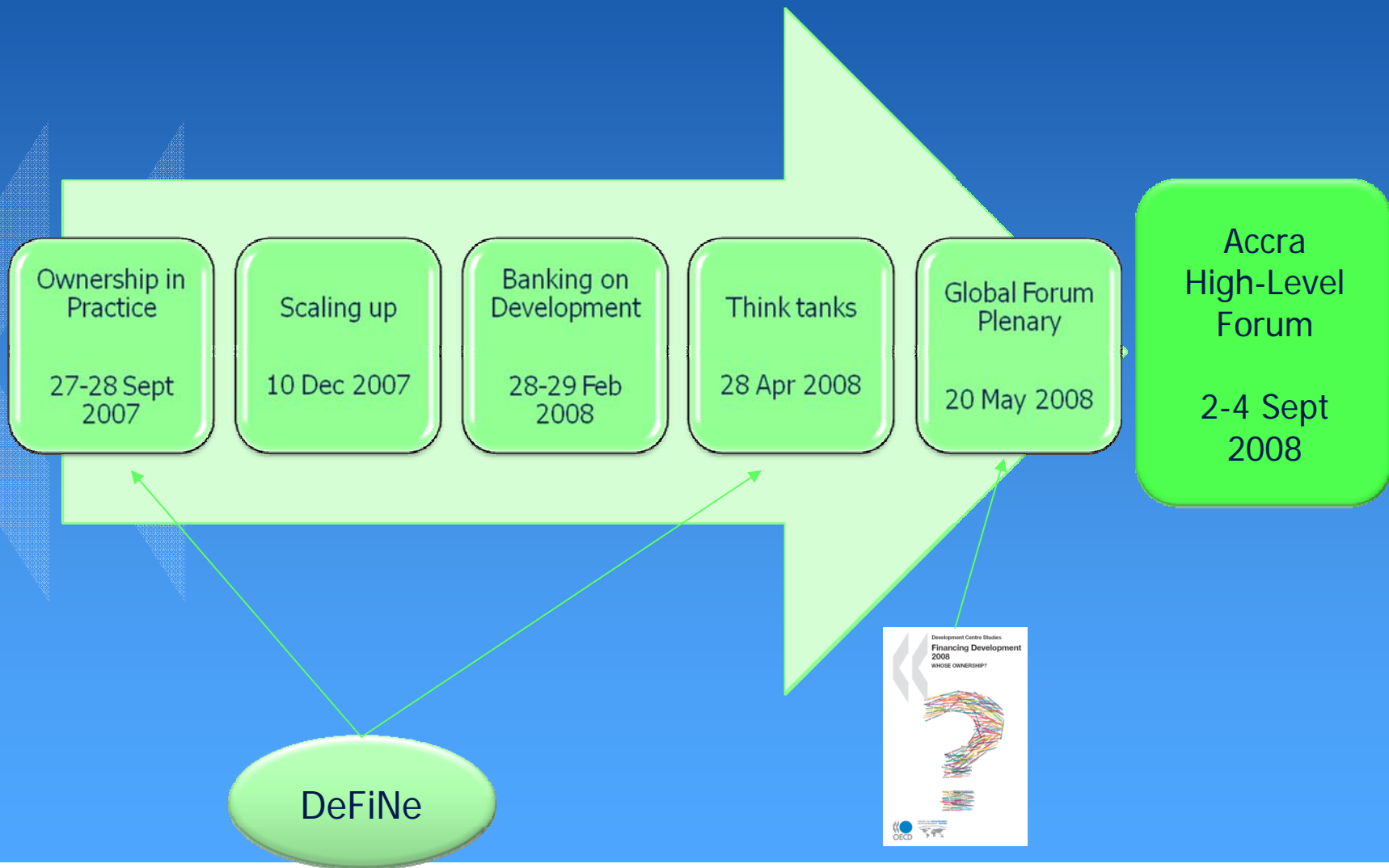
Ownership: the first principle of the Paris Declaration

- Developing countries must exercise “effective leadership over their development policies”

But the principle remains ill-defined

- Legitimacy, representativeness, aggregation
- What is the role of citizens promoting ownership?
- How do donors promote or undermine ownership?
- Example: the use of CPIA in the DSF

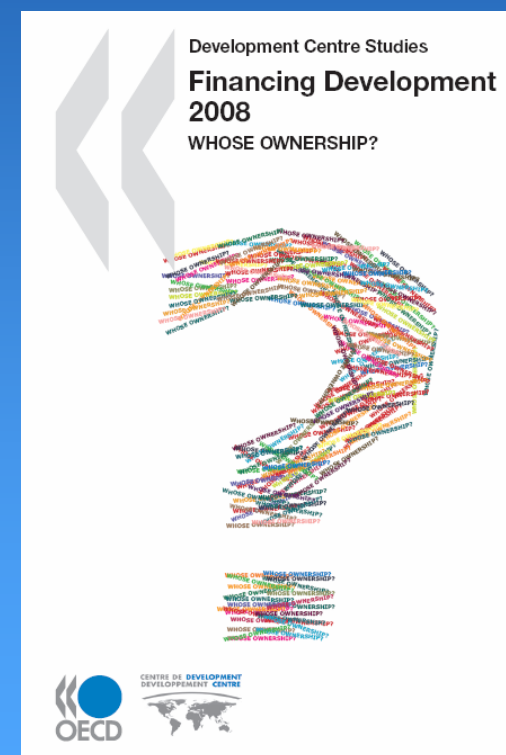
Year II of the OECD Global Forum on Development



Just Launched by the OECD Development Centre:

“Financing Development 2008: Whose ownership?”

- I. Broader ownership for development
- II. Ownership in the multilateral development-finance non-system
- III. A Paris declaration for NGOs?
- IV. Private banks in emerging democracies



The Paris Declaration is government centred

- “Country Ownership” ≠ “Government Ownership”
 - Citizens’ participation in designing, implementing and monitoring policies is crucial
 - Participation may be improving, including by parliaments (e.g. Parliamentary Committee on Poverty Reduction, Ghana)
 - But some actors remain sidelined (e.g. media & trade unions), especially where human rights are not protected
- Governments need to improve participatory frameworks
- Donors need new ways of encouraging domestic processes (example: local knowledge)

“Ownership” is a donor-driven concept

- The Paris Declaration measures ownership by evaluating the quality of donor-approved *Poverty Reduction Strategy Papers (PRSP)*
- In the Declaration, donors only commit to drawing policy conditions from the PRSPs “wherever possible”
- Government administrations lack capacity to generate alternative policy solutions and manage donors
- Multilateral donors dominate the production of development knowledge

Development knowledge remains donor-driven

“Northern donors and think tanks and Northern-controlled multilateral organizations dominate the development knowledge industry. In so doing they exert a major influence on the policies and decisions of governments in the South.”

by Norman Girvan (University of the West Indies)

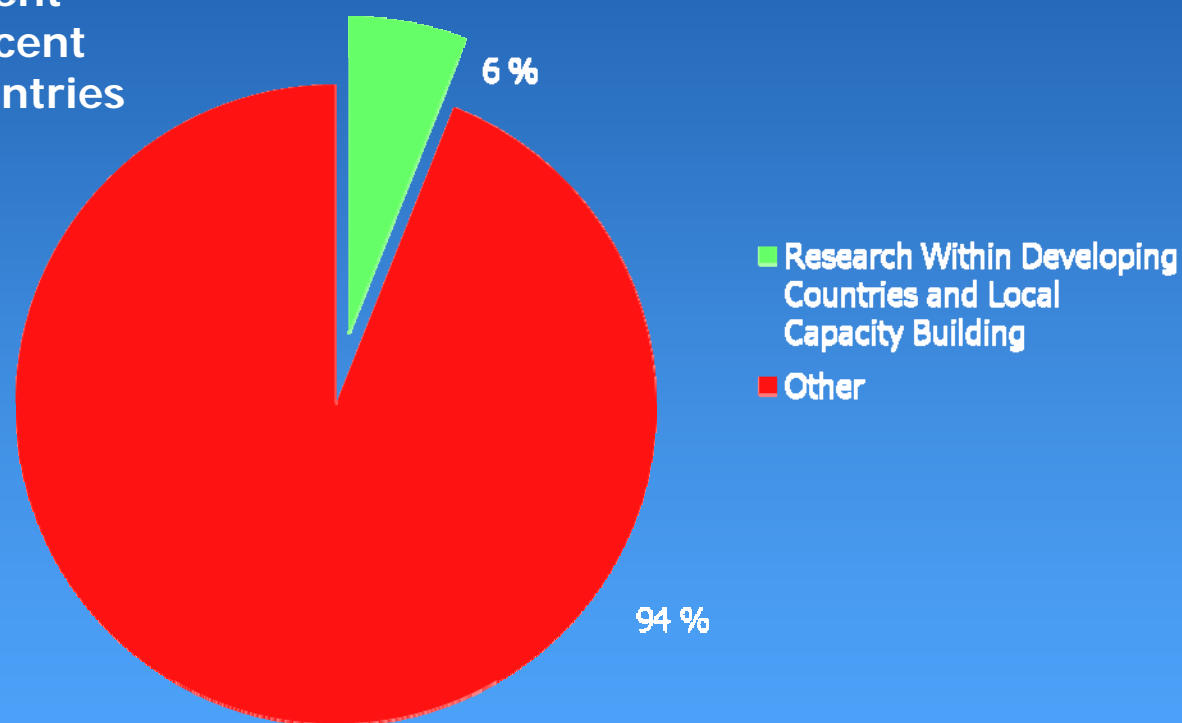
from “Home-grown Solutions and Ownership”

prepared for our Workshop on “Ownership in Practice” (27-28 Sep 2007)

See: www.oecd.org/development/globalforum

Donors fail to invest in Southern-based analysis

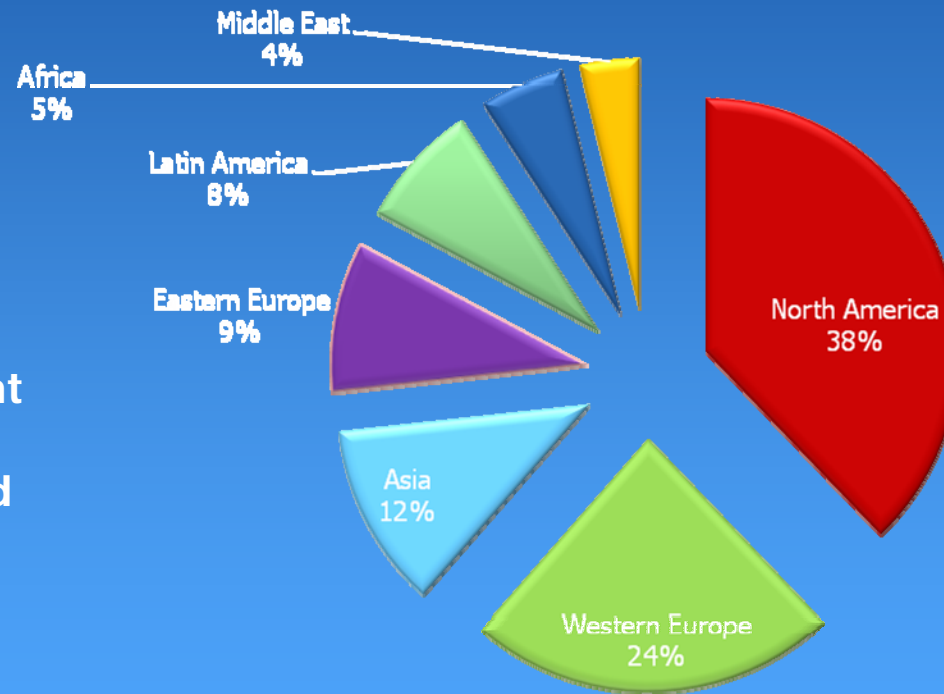
Of the annual \$1.3 billion of ODA on development research, only 6 per cent go to developing countries



Source: *An Initiative to Strengthen Policy Analysis in Developing Countries*, Rationale Paper for IDRC-Hewlett Think Tanks Initiative, 2006, based on OECD Creditor Reporting System

Developing countries lack think tanks

Distribution of think tanks per continent

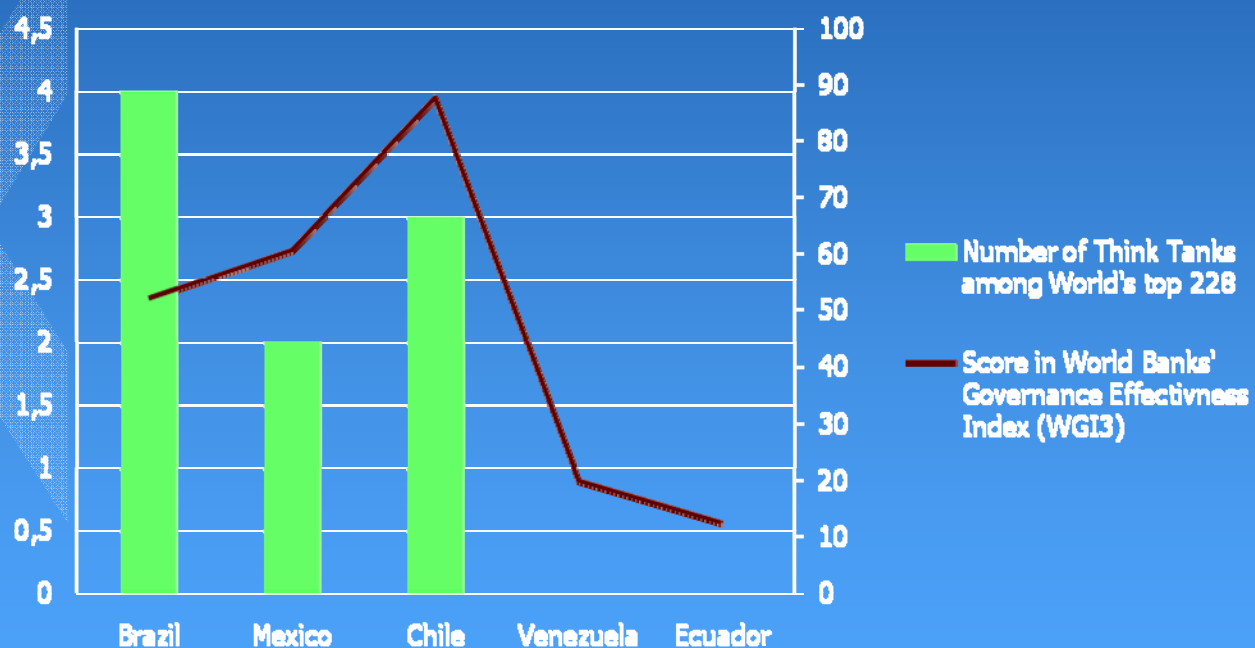


More than 70 per cent of the world's 5000 think tanks are based in OECD countries.

Source: Foreign Policy Research Institute's Think Tanks and Civil Societies Program (2007)

But local thinking is vital for governance

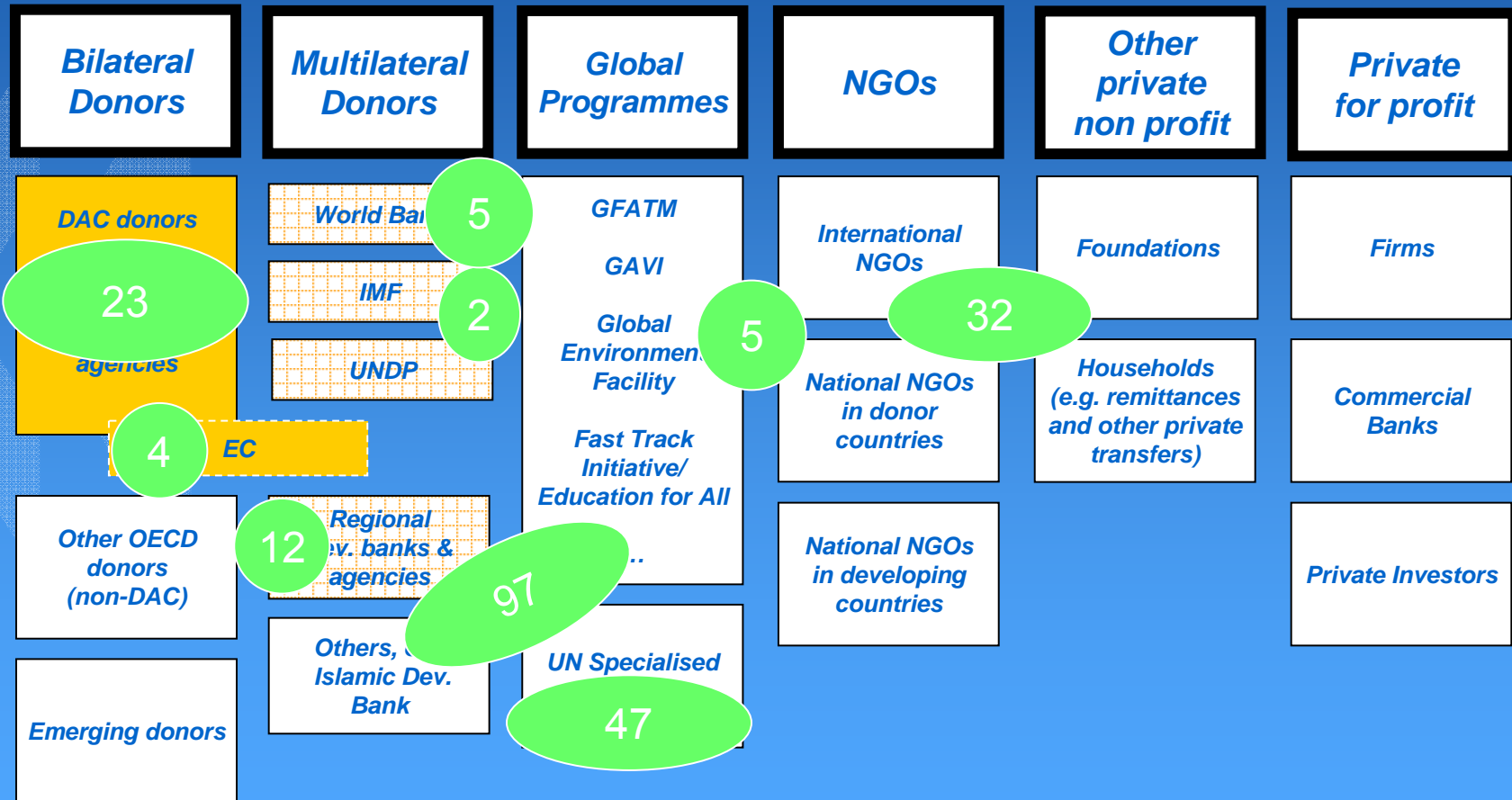
Number of Think Tanks and Governance Effectiveness



Source: OECD Development Centre, 2008, based on World Bank Governance Indicators (2007) and data from the Foreign Policy Research Institute's Think Tanks and Civil Societies Program (2007).

Can this international "non-system" be owned?

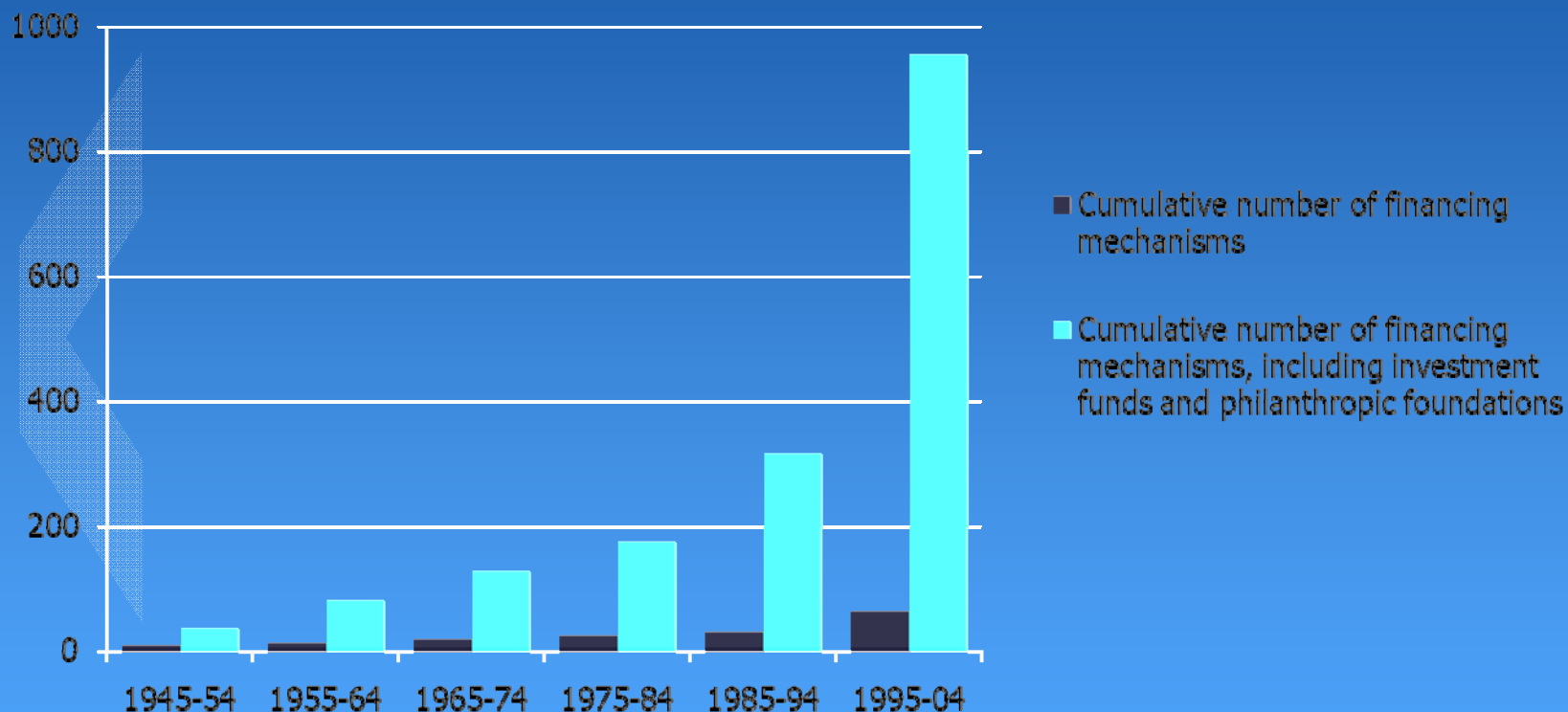
Public ← ———— → Private



 Observer status in DAC

Financing mechanisms are multiplying

Cumulative number



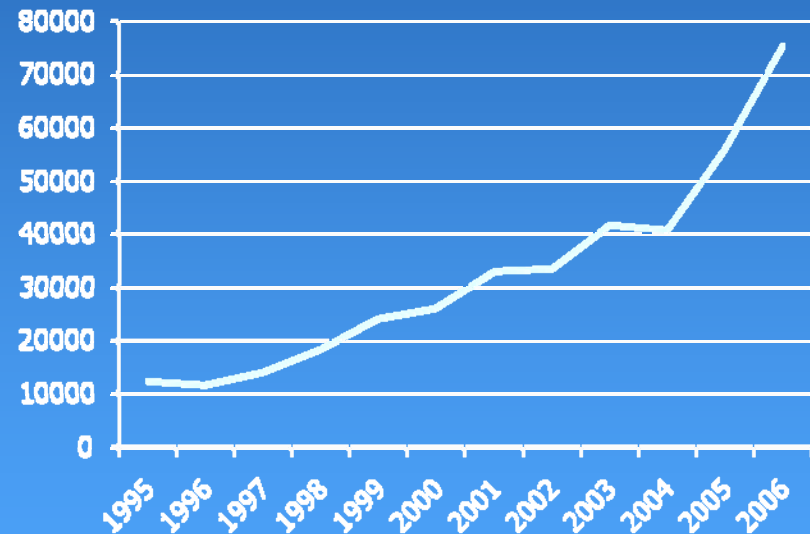
Source: *Financing Development 2008: Whose Ownership?*
OECD Development Centre
Based on Kaul and Conceicao (2006)



Growing Complexity

- Bilateral aid projects
- Proliferated strongly
- From 10 to 80,000 commitments during the last decade

Number of Project Commitments between 1995 and 2006



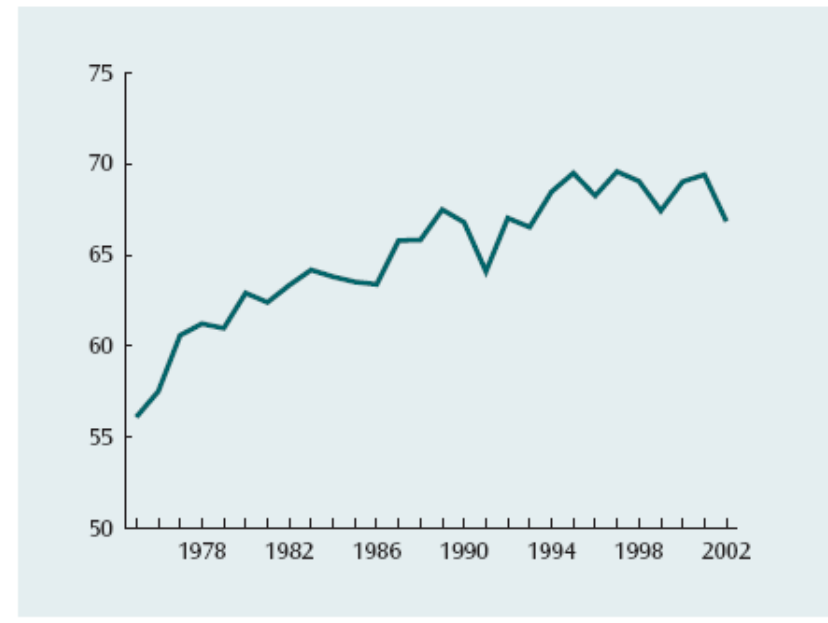
Source: OECD Credit Reporting System Database

Is donor fragmentation a problem for developing countries?

- **In principle, competition is to be welcomed as it undermines donor cartels, which should be good news for recipients.**

- Source: Stephen Knack and Aminur Rahman (2004), *Donor Fragmentation and Bureaucratic Quality in Aid Recipients*, World Bank Policy Research Working Paper 3186, January 2004.
- Note: . 'Donor fragmentation is measured as $1 - \text{the Herfindahl Index of Donor Concentration}$, summing the squared shares of aid over all aid agencies covered by DAC.

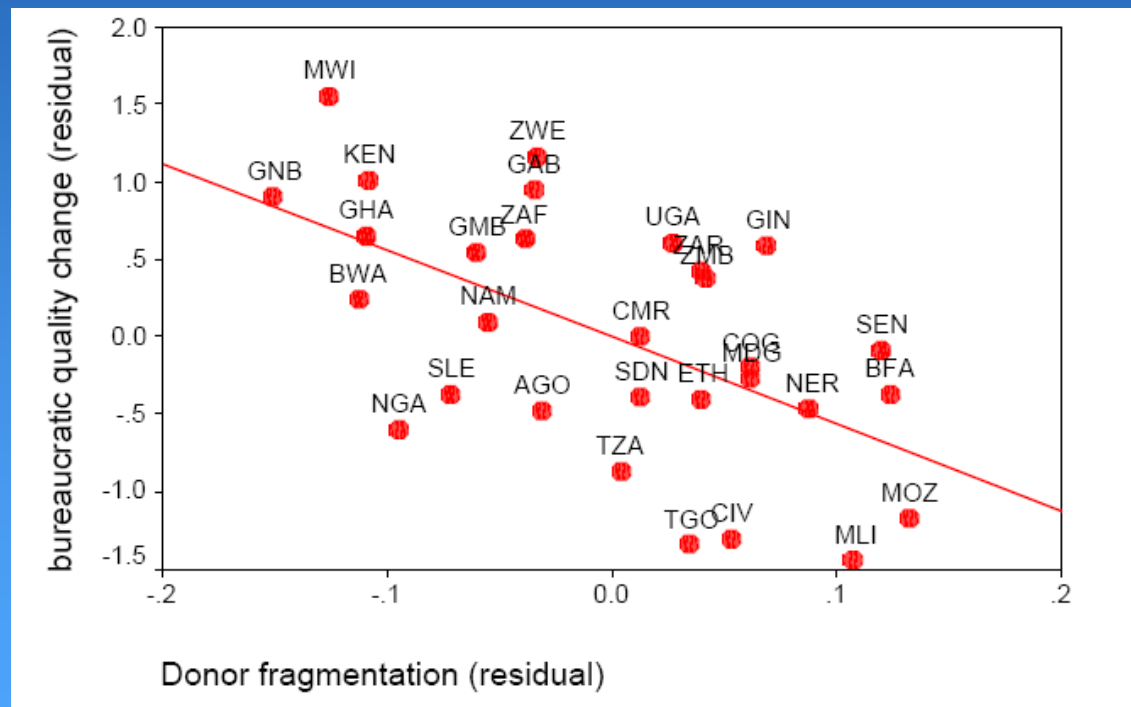
Donor fragmentation index, 1975–2002



Is donor fragmentation a problem for developing countries?

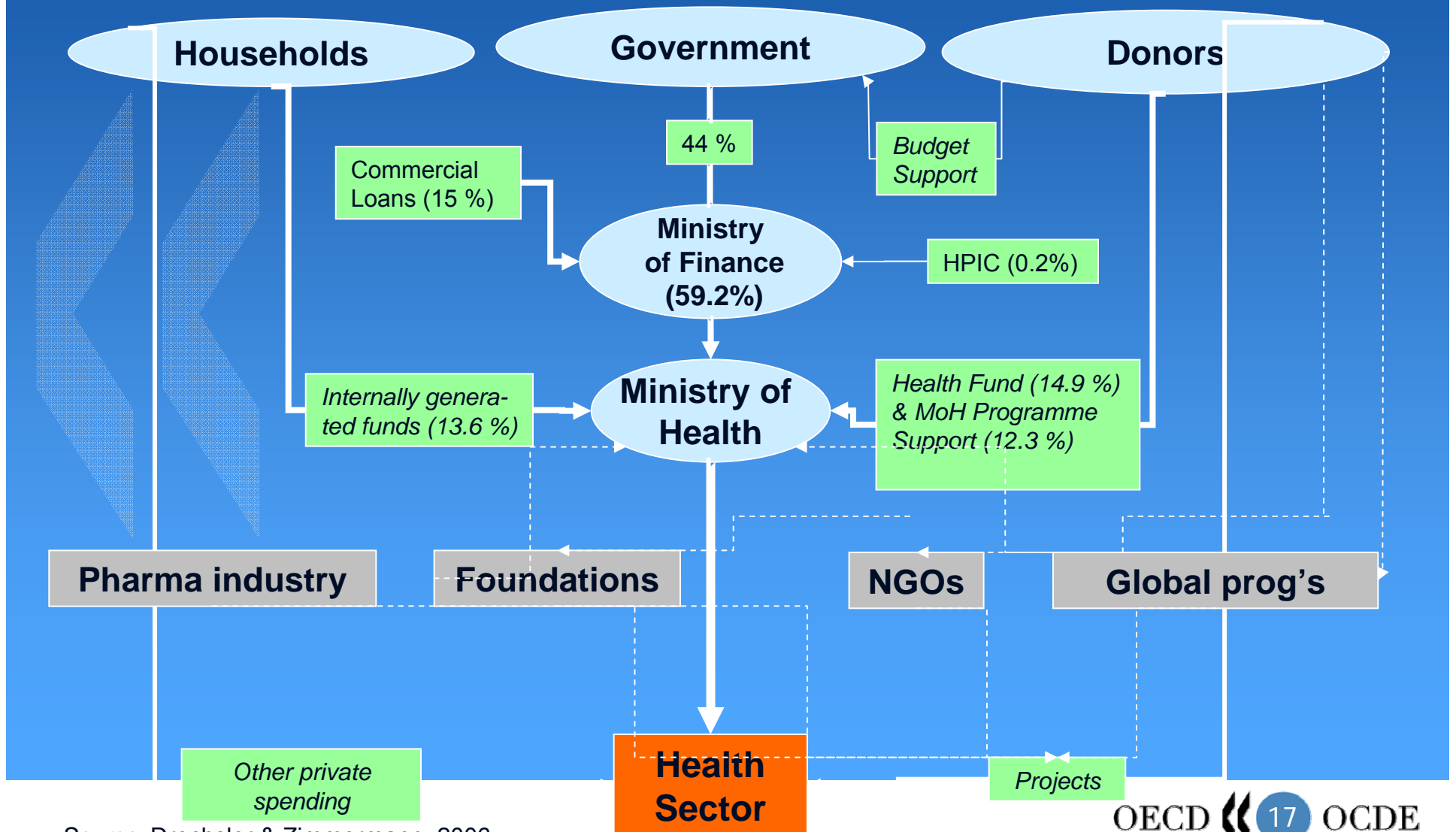
- Donor fragmentation is associated with low-quality administrations in recipient countries. One explanation: the best are poached away from local bureaucracies to work for donor projects.
- → Aid agency competition may be fine, but bundle service delivery on the ground.

Donor Fragmentation and the Erosion of Bureaucratic Quality



Source: Knack and Rahman (2004)

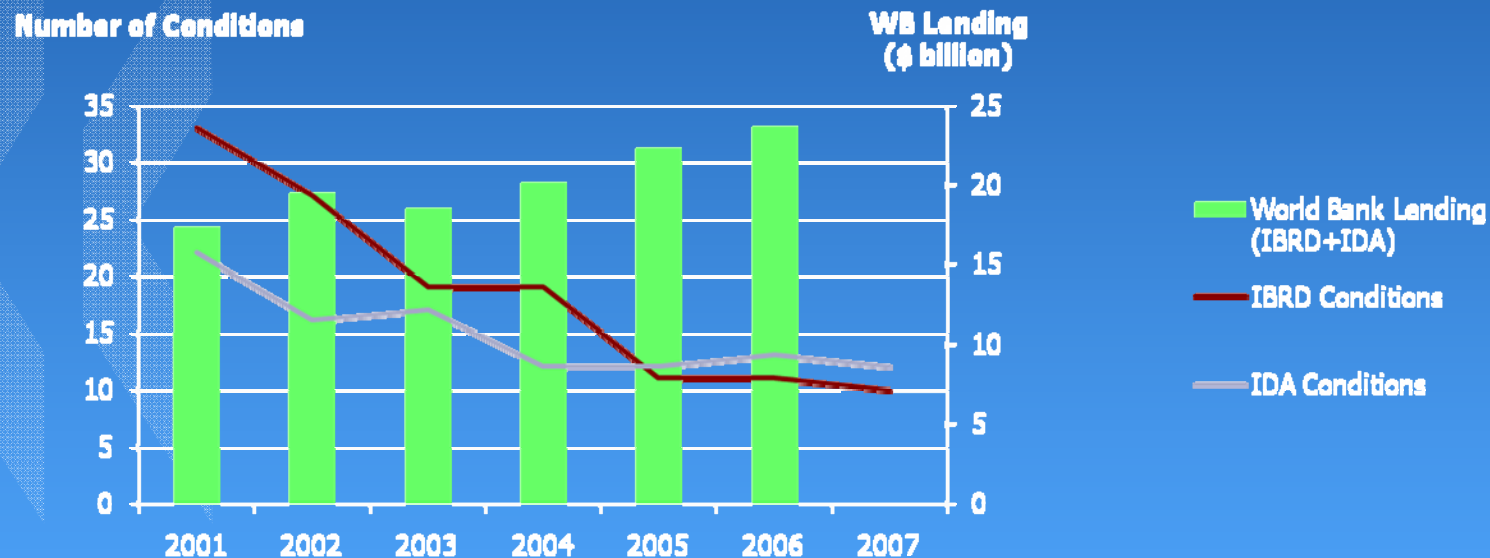
Ghana: unhealthy complexity



Source: Drechsler & Zimmermann, 2006


Conditionality being phased out?

World Bank Lending and Average Number of Conditions



Source: World Bank annual report

External Public Debt Distress Thresholds and their Parameters

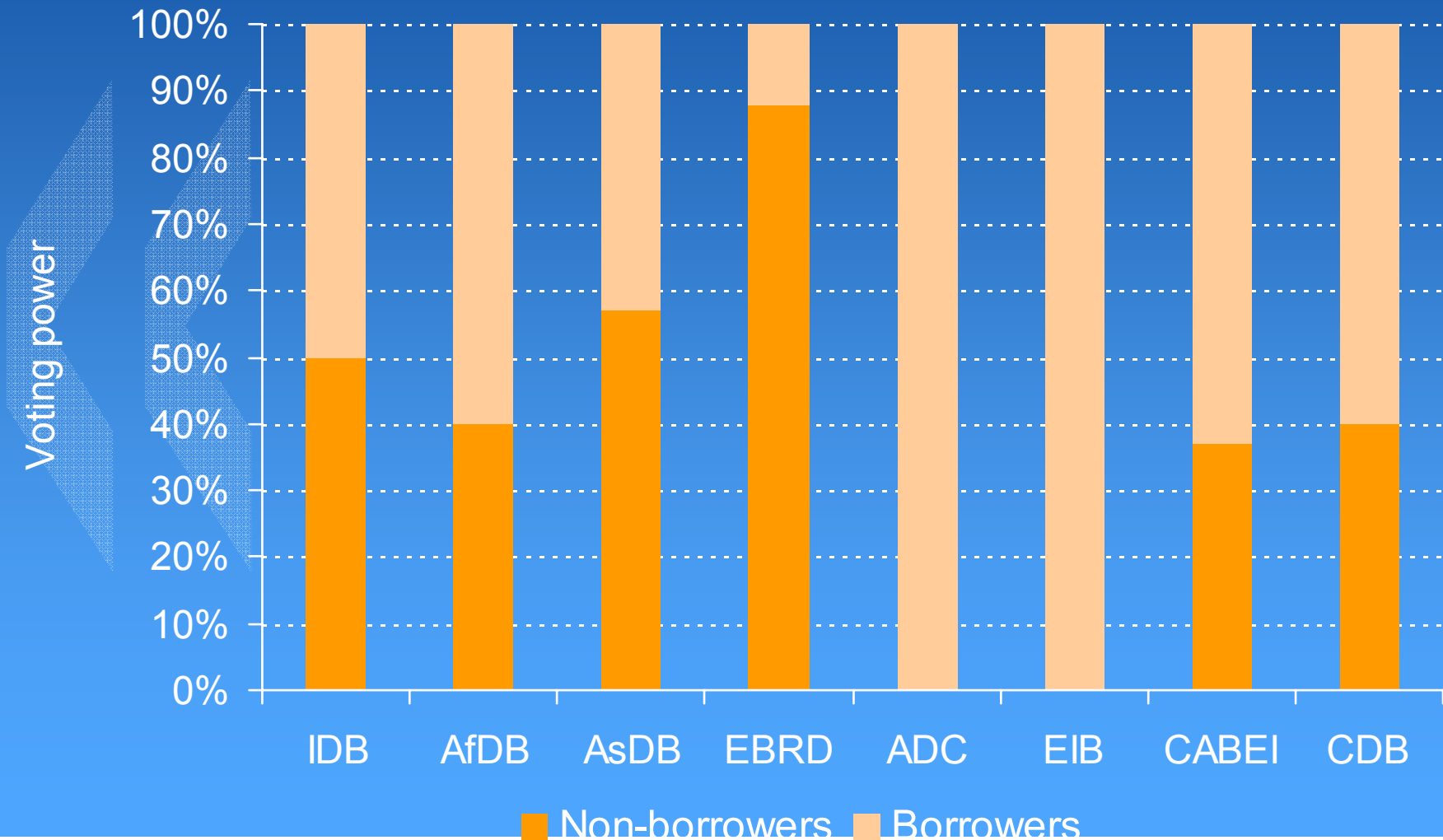


CPIA Score	Net present value of debt, % of		Debt Service, % of		
	Exports	GNP	Public Revenues	Exports	Public Revenues
Weak	100	30	200	15	25
Medium	150	40	250	20	30
Strong	200	50	300	25	35

Source: IMF/World Bank (2006), *Review of Low-Income Country Debt Sustainability Framework and Implications of the MDR*, Staff Report.

Or is conditionality silently creeping in?

Regional Development Banks: Uneven ownership of borrowers



Unclear Institutional Assignment to the MDGs

Selected Multilaterals Working on the Millennium Development Goals		
MDG / Thematic Area	Main Multilaterals	Other Multilaterals with a Role
MDG1: Eradicate extreme poverty and hunger	UNDP, World Bank, AfDB, AsDB, IFAD, EC, FAO, WFP	CGIAR, IADB
MDG 2: Achieve universal primary education	World Bank, UNICEF, UNESCO	UNFPA, UNRWA
MDG 3: Promote gender equality and empower women	UNDP, World Bank, UNIFEM, UNICEF	UNFPA
MDG 4: Reduce child mortality	WHO, UNFPA, UNICEF	World Bank, WFP, UNRWA
MDG 5: Improve maternal health	WHO, UNFPA	World Bank, WFP
MDG 6: Combat HIV/AIDS, malaria and other diseases	UNAIDS, World Bank, WHO, UNDP, UNFPA, UNICEF	UNIFEM
MDG 7: Ensure environmental sustainability	UN Habitat, World Bank, AsDB, UNDP	CGIAR, UNIDO
MDG 8: Develop a global partnership for development	World Bank, EU, UNDP, UNIDO, ILO, UNCTAD	UNDP
Human rights	OHCHR	UNIFEM
Conflicts and humanitarian emergencies	UNCHR, OCHA, ECHO, WFP, UNICEF, WHO	UNDP

Source: *Financing Development 2008: Whose Ownership?*
 OECD Development Centre
 Based on National Audit Office (UK), DFID (2005).



Multilateral Assessment Frameworks

- MOPAN (Multilateral Organisations Performance Assessment Network)
- The Survey is based on the *perceptions* of MOPAN member embassies or country offices, arising from their day-to-day contacts with multilateral organizations .
- The MOPAN Annual Survey is not an evaluation and does not cover actual results on the ground.
- **Avoids inter-agency comparisons => no basis for inter-agency decision making.**
- **Approach does not allow to draw firm conclusions about effectiveness.**

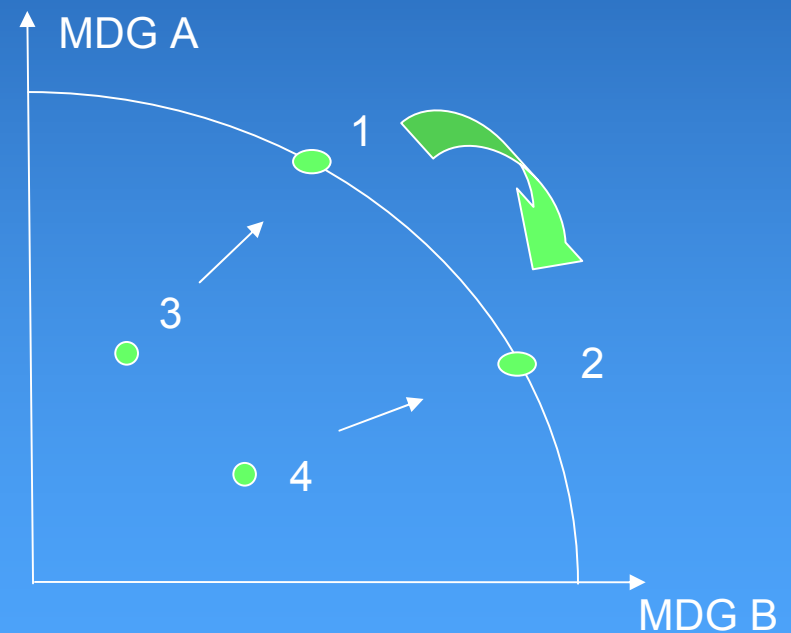
Multilateral Assessment Frameworks

- **COMPAS (The Common Performance Assessment System)**
- The purpose of the COMPAS is to provide a common source of information on the results orientation of 5 MDBs – AfDB, AsDB, EBRD, IADB, WB - based on seven categories of data.
- With the focus on group synergies and not on individual comparisons across institutions, COMPAS is not built to directly enhance inter-agency choice and multilateral coherence.
- In particular, COMPAS fails to address to what extent regional development banks serve to reduce the underfunding of regional public goods.

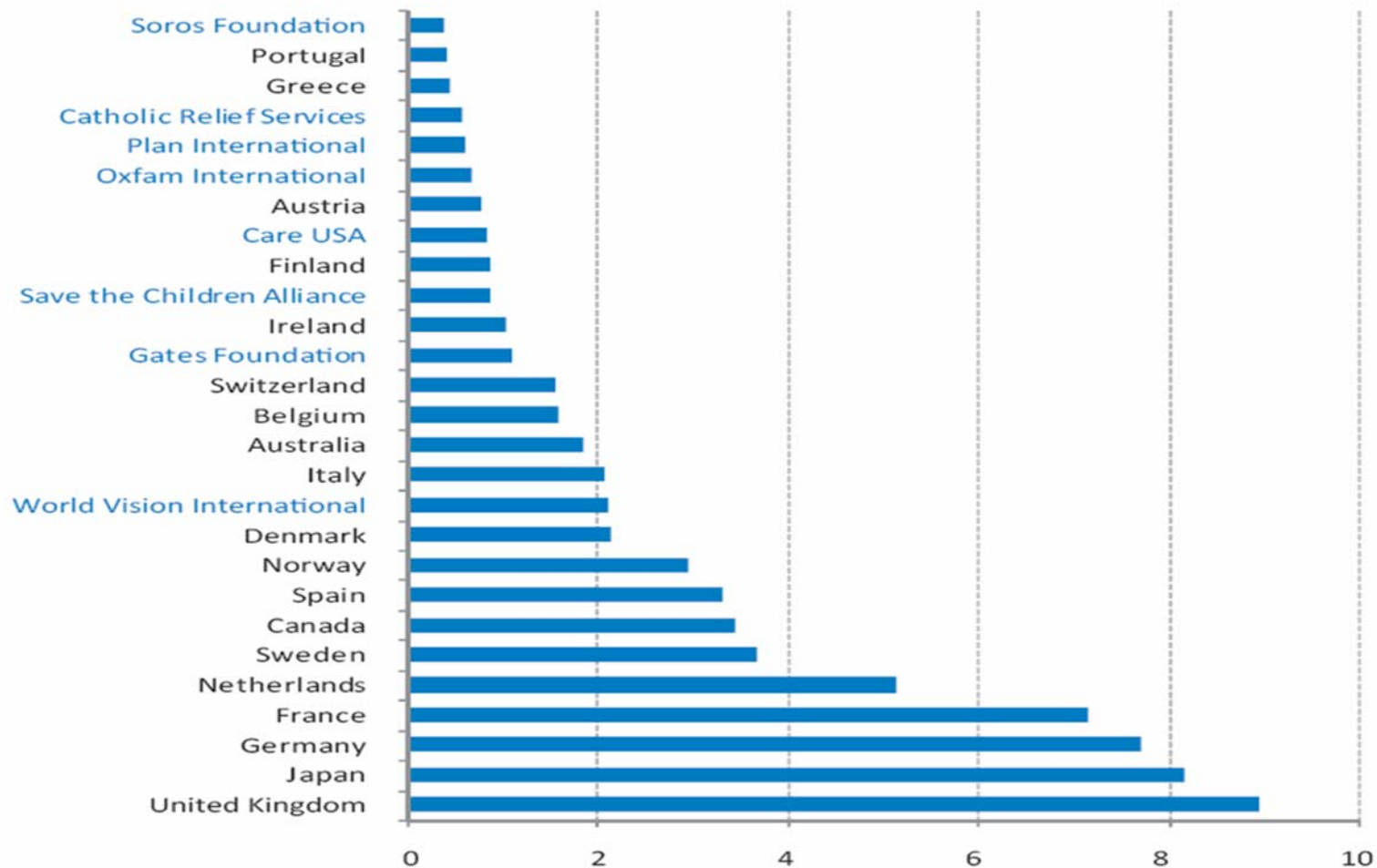
Multilateral Assessment Frameworks

- → Performance measures may help improve multilaterals' performance, hence raise x-efficiency,
- but they will not improve multilateral coherence, i.e. allocative efficiency for donor funds.

Performance vs Coherence



Private donors are matching official aid budgets

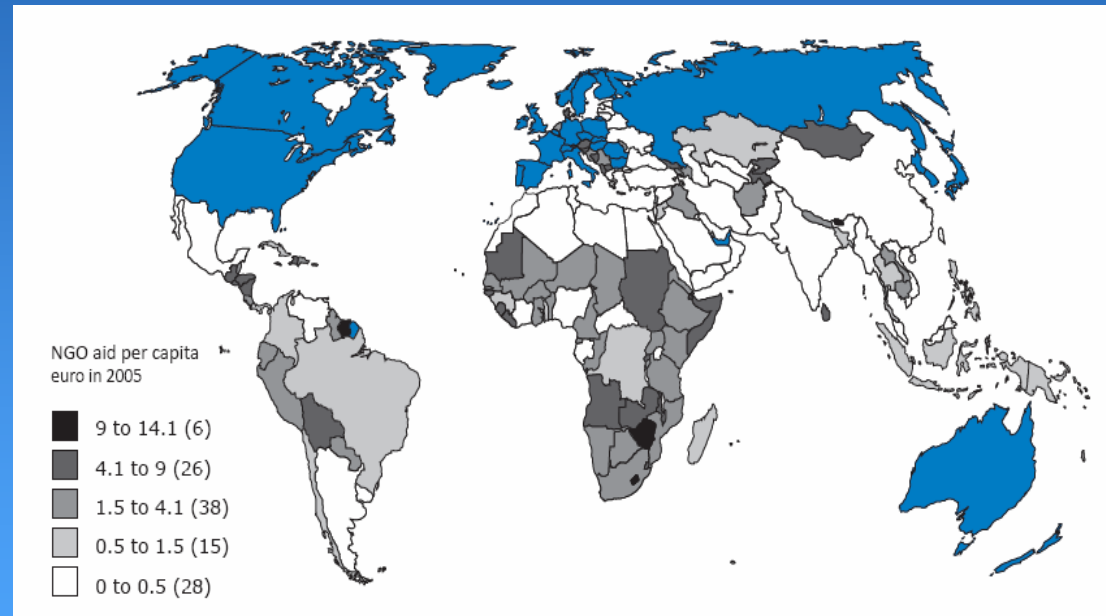


Source: Koch, D. J., in
Financing Development 2008: Whose Ownership?
OECD Development Centre



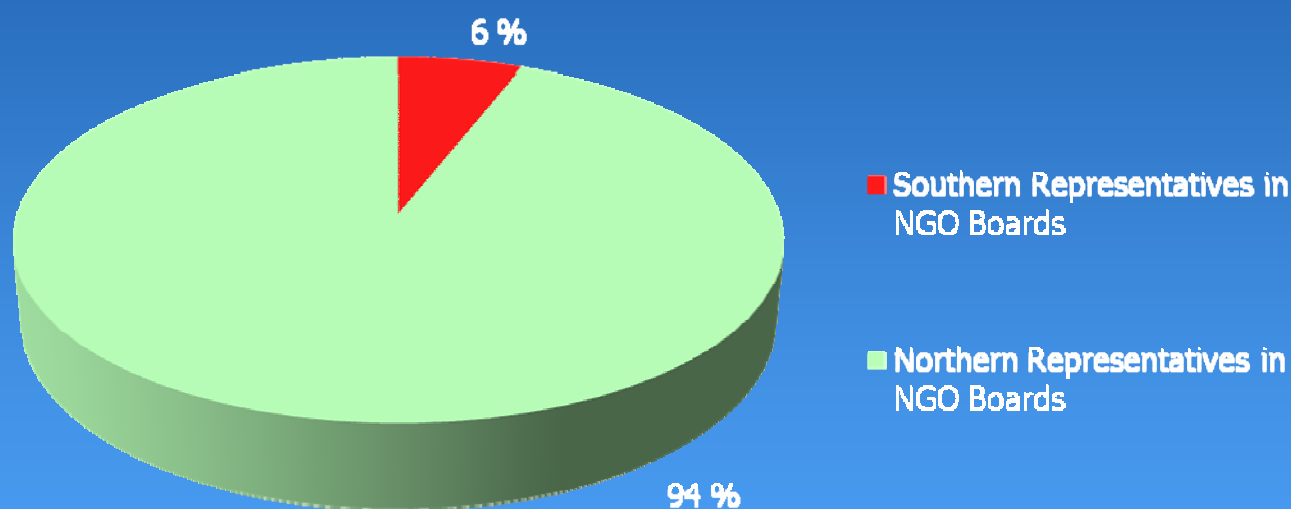
A Paris Declaration for NGOs?

- OECD-based development NGOs 26.9 billion US dollars for 2005
- Unequal distribution of NGOs around the globe
- NGO quest for profile means heavy reporting burden to recipients
- Little local ownership



Are NGOs better at fostering Southern views?

Only 6 per cent of NGO Board members are from developing countries.

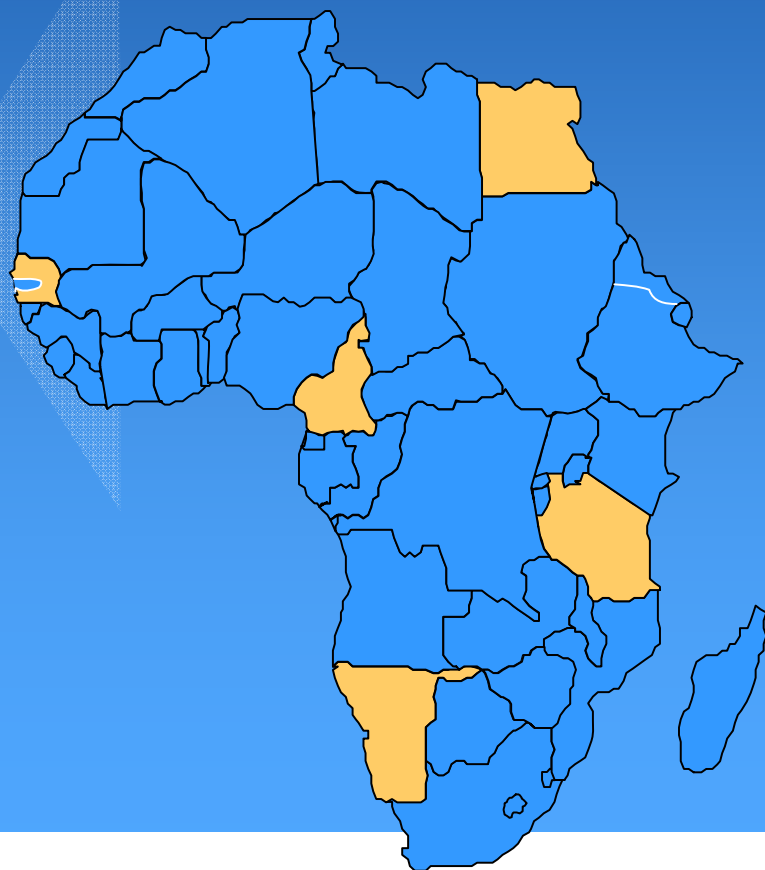


Source: Koch DJ, in
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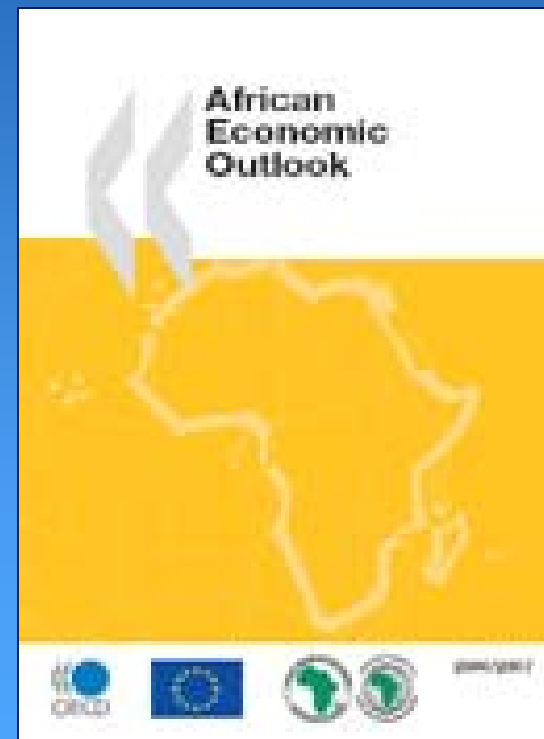


A small step: the African Economic Outlook

The 2008 *African Economic Outlook* has been produced in collaboration with local researchers from:



A report on Africa in partnership with African institutions (AfDB and UNECA).



Development Finance Network (DeFine)

A global network of experts contributing to the Global Forum



A proposal to boost Southern research capacity

- Supporting local think tanks with endowments and long-term core support
 - A sustainable resource base
 - Greater independence
 - Incentives for a market of policy ideas
- Showing the way:
 - Think Tanks Initiative (IDRC & Hewlett Foundation)
 - Swedish International Development Cooperation Agency (SIDA), SAREC

Dealing with Multilateral Fragmentation

Reform from outside the aid system

Low feel of ownership
Speed of reform, Budget control

Reform from inside

Vested interest in agency survival
More voice for poor countries

-----**System Complexity**----->

Agency Coordination

Low policy choice
Scope, Predictability, Accountability

Agency competition

ODA pushing
Less donor cartelisation

Whose ownership?

More information at:

www.oecd.org/dev/publications/finance/2008

www.oecd.org/dev

Join the discussion at:

www.whoseownership.org

(an initiative of Colombia, Switzerland and
the OECD Development Centre)

