THE AID EFFECTIVENESS AGENDA: EXPLORING THE CONCEPT OF COUNTRY OWNERSHIP

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Abstract:

National ownership is an indispensable recipe in development projects. The international development architecture, notwithstanding its non-binding nature, have attempted to incorporate the principle of national ownership in developing economies. Noting the merits and significance of national ownership to development, this paper provides a basic overview and analysis of the concept and its implications in the development paradigm.

The opinions expressed and arguments employed herein are solely those of the authors and do not necessarily reflect the official views of the PROLAW program.

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II. KEY WORDS

Aid effectiveness, national ownership, development

III. INTRODUCTION AND BACKGROUND

The pertinent issue for consideration in this paper, broadly stated, concerns the Paris Declaration on Aid Effectiveness of 2005 (Paris Declaration). There are five distinct essential elements of aid effectiveness: national ownership, alignment, harmonization, managing for results, and mutual accountability. This contribution examines the principle of national or country ownership. The basis for focusing on this principle is three pronged: firstly, the adoption of a paternalistic attitude to development assistance by the donors would affect the attainment of development ends. Secondly, adhering to the principle of national ownership will secure stakeholder buy-in and arguably, result in project legitimacy and governmental and/or stakeholder support. Thirdly, there is a political nuance linked to national ownership. Donor countries should respect the sovereign rights of recipient countries. Therefore, an attempt to impose development projects, act independently (without consideration, consultation, collaboration and partnerships with key stakeholders), or with complete disregard of government institutions and agencies will lead to conflict which may result in the adoption of skewed policies.

IV. DEFINITIONAL ELEMENTS

There is no single agreed definition of the concept of national ownership. There are heated arguments relating to its practical application. In addition to the Paris Declaration, the United Nations Guidance Note of Rule of Law Assistance (UN Guidance Note) regards national ownership as one of the key principles in UN development assistance efforts.

The principle of ownership is closely connected to success or failure of development assistance. It is therefore logical to conjecture that aid effectiveness will largely depend on the nature and extent of ownership. According to this analysis, strong national ownership may result in a strong support and commitment from the policy makers. Thus national ownership may also be intrinsically connected to legitimacy. This proposition can be brilliantly surmised as follows:

Ownership has become, over the last two decades or so, one of the key and most utilised concepts of the extensive list of jargon of international aid business. Host governments, donors, lenders, bilateral and multilateral international agencies, civil society organizations and scholars refer to ownership in a variety of contexts, more frequently in relation with the implementation of aid financed policy and other institutional reform packages. The causes of failure and success in the implementation of such reforms are often tracked back to weak or strong ownership by the recipient/implementing agency. Hence, ownership is linked with effectiveness of policy-based aid in supporting development in a multidimensional manner. In its simplest form, ownership is identified as a key determinant of the degree of commitment to a chosen policy-direction. More complex models refer to ownership as a key determinant of appropriateness and legitimacy of policy choices. If this is the case, then ownership should be promoted (Paris High Level Forum 2005). However, before this can be done one needs to understand what ownership is and involves.³

There is a growing body of literature on national ownership. The majority discourse advances the argument that recipient countries must be put in the “driver seat” of the development.⁴ On a similar note, different government around the global, especially less developed and middle-income

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³ United Nations Guidance Note of Rule of Law Assistance.
countries have invoked and appraised the principle of national ownership. One of the plausible reasons for this argument is intrinsically-linked to the sovereign rights debate. This has a major effect on recipient-donor relations. For-an example, if a donor wants to give aid to a certain developing country, for institutional reform or human capacity development; the donor should be careful to interfere in domestic political affairs. National ownership in this regard entails the ability of the receiving government to decide how to implement the project, with due regard to, and having consulted the other subnational units. The donor, on the other hand, should play a subsidiary role in assisting the recipient country to reach it development objectives.

V. NATIONAL OWNERSHIP UNDER THE PARIS DECLARATION

The Paris Declaration recognizes this conceptualization. It provides an explanation and description national ownership. The Paris Declaration is a classic example of a soft law instrument. It is non-binding on States. However, due to the prevailing discourse, national ownership has generated heated debates, to the extent that it can no longer be ignored. The emphasis placed on it principle constitutes a paradigm shift in development thinking. It exemplifies a shift from a paternalistic attitude to a dispensation where developing countries exercise leadership over development projects. The Paris Declaration succinctly provides for partner countries and donor obligations respectively. According to clause 14, recipients of development assistance commit to “exercise leadership in developing and implementing their national development strategies through

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7 www.oecd.org/dac/effectiveness
broad consultative processes; translate these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets (Indicator 1); and take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.” Whereas the donor countries must “respect partner country leadership and help strengthen their capacity to exercise it.”

National ownership, therefore, is a process by which partner countries define their development objectives, take control or lead of, from inception, planning, implementation, coordination, and monitoring and evaluation of development projects and processes. The above conceptualizes national ownership as a “process leadership” in development assistance. The term process leadership is adopted from the United Nations Guidance Note. The Paris Declaration further articulates the rights and duties of developments actors. Donors are should give due regard to and respect partner countries’ right to process leadership. Therefore, donor’s obligations are limited to assisting recipients of aid by developing and strengthening their capacity to implement projects. This proposition and reading is supported by a progressive interpretation of clause 15, cited above.

VI. SUBSTANTIVE ISSUES

Some scholars conjecture that national ownership is not an outcome of the aid effectiveness agenda, but it is an objective. This conceptualization is in line with the purpose of the development architecture to empower recipient governments’ capacity and self-determination to take charge of their development trajectory. This proposition was advanced by several delegates during a

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9 Paris Declaration on Aid Effectiveness, 2005.
Conference at the London School of Economics in April, 2012.\textsuperscript{10} It is trite that national ownership is a by-product of modernity and modern civilizations.\textsuperscript{11} The theses according to scholarship is that giving donors excessive and unfettered power will affect or undermine development.

Any development assistance pursuit that sidelines the government, civil society, and private sector’s participation in development undermines the objective of national ownership. The failure to give consideration to power dynamism of partner countries triggers unwillingness to cooperate and collaborate, and cannot generate political will. Therefore, it can be argued that development assistance and success of development programs is highly dependent, to a large extent, on national ownership.

Externally devised or imposed development programs are likely to contend with robust criticism, skepticism, suspicion, lack of support, and legitimacy concerns. Exogenously devised development projects must be avoided and discouraged. Development is demand-driven, collaboration and cooperation of recipient states and subnational units is crucial. The Paris Declaration allows for home-brewed solutions to partner countries’ pressing problems. Conferring process leadership in development projects ensures legitimacy and support of the development project. Therefore, failure and/or omission to adopt a multi-sectorial approach impinges national ownership.

\textbf{VII. NATIONAL OWNERSHIP AND THE UNITED NATIONS DEVELOPMENT STRATEGY}


\textsuperscript{11} Id.
National ownership is embedded in development efforts, and has become a normative concept. One excellent example is the United Nations Guidance Note on Constitution Making. It contains and recognizes national ownership as an integral aspect in successful constitutional law making processes. This means that technical advisors, during constitutional making, cannot impose and insert constitutional clauses which do not emanate from and are not supported by the beneficiary country. Thus, the process must reflect on the political, cultural, economic, and institutional situational analysis of the country concerned.

United Nations documents also assist in terms of providing an overview of the concept.\textsuperscript{12} Principle 5 of the Guidance Note provides inter alia that:

No rule of law programme can be successful in the long term if imposed from the outside. Process leadership and decision making must be in the hands of national stakeholders. Rule of Law development requires the full and meaningful participation and support of national stakeholders, inter alia, government officials, justice and other rule of law officials, national legal professionals, traditional leaders, women, children, minorities, refugees and displaced persons, other marginalized groups and civil society. Efforts indicates that the rule of law is strengthened if reform efforts are focused on assisting the State to apply its international legal obligations, and are credible and adhere to the principles of inclusion, participation and transparency, facilitating increased legitimacy and national ownership. Meaningful ownership requires the legal empowerment of all segments of society.

Principle 5 resonates with clause 14 and 15 of the Paris Declaration. It further shows donors’ commitment to promoting aid effectiveness principles specifically national ownership. It should be noted that the Guidance Note is not of general application. It has an exclusive application because it only applies to the United Nations (UN) rule of law assistance. National ownership forms a key component of the UN development assistance framework. At this stage, it is plausible, then, to propose that national ownership is both an express and implied condition of development assistance. Donors do not necessarily gain an edge over partner countries; rather there must be

\textsuperscript{12} See generally, the UNDP Strategy on Civil Society Empowerment and Engagement, 2009.
mutual partnership between the parties. Therefore, the cause and effect of realizing this objective can only be attained when these conditions are present.

VIII. ANALYSIS

Cognizant of the multi-dimensional meaning of national ownership, this paper defines national ownership as process leadership in decision making, participation, consultation and involvement of civil sector in development. Therefore, national ownership means all the stakeholders are involved and take part in defining development needs and policy. Further, this paper conjectures that national ownership is a dynamic process and a flexible partnership. The primacy of national ownership are relations and interaction between among stakeholders.

National ownership is a fluid concept that changes over time, to respond to exigent needs of countries. Therefore, national ownership changes depending on the repository of power and policy in question. Under these circumstances, there is need for national ownership adaptation.

The national ownership paradigm can be conceptualized in relation to conditionalities attached to development assistance. The delegates in Accra made assurances and agreed on the need to deal with the imposition of conditionalities to recipient countries. This shows renewed commitment towards the ownership agenda. Therefore, clause 25 of the Accra Agenda, 2008, provides inter alia, that “donors will work with developing countries to agree on a limited set of mutually agreed conditions based on national development strategies.” Furthermore, “donors and developing countries will regularly make public all conditions linked to disbursements; and developing countries and donors will work together at the international level to review, document and disseminate good practices on conditionality with a view to reinforcing country ownership and other Paris Declaration Principles by
increasing emphasis on harmonised, results-based conditionality. They will be receptive to contributions from civil society.”

Thus, ownership can be conceptualized as a process for partnership. There has been an argument that societies as well as persons should assume the responsibility over their development. In terms of this analogy, ownership is a manifestation of self-confidence, creates favorable conditions for a partnership that allows parties to cooperate, have same rights and recognition. Its ideas of self-determination rooted in modernity, and connote leadership of governments as well as participation of stakeholders. Interaction in coming up with development objectives. The above situation can be crisply explained in the following manner:

In their interaction they need to find a balance between the consensus on policies- for which the government can have leadership- and the acceptance of differing opinions, objectives and practices which is constitutive for partnership. The balance has to be found without forcing agreement or permitting anything. Dissent forms a constitutional element of that process and is productive for finding the necessary levels of consensus. The existence of oppositional approaches opens the possibility to discuss such differences and come to an approximation of the varying points of view.

The above situation was explained by Muller, Luetner, Jager, Kenngott in terms of what they call ‘the dynamic ownership model’ to national ownership. This model defines national ownership as a ‘process for partnership’. According to the dynamic ownership model, mere consensus results in repression. The argument goes that debate culminate in chaos, and that national ownership is attained in the middle ground when the scale is balanced. Therefore, the competitive interests of

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13 Accra Agenda (2008).
14 Note 9 supra. Ulrich Muller (Germany GTZ) “Mind the Gap! Ownership in Practice”: Conclusions and Overview of the Contributions.
15 Id.
16 Id.
parties are put on the scale, there is room for deliberation and conflict, leading to effective ownership.

The multiplicity of parties envisaged in the aid effectiveness agenda has sparked heated debates. The Paris Declaration provides for inclusivity to achieve national ownership. The participation of the civil society organizations in policy formulation and determination of development goals is another way that has been used to explain national ownership. Conversely, Asymmetries of information may pose a threat the realization of this goal. The government, as a custodian of all national strategies and policy information may be reluctant to avail same to the civil society groups. When this happens, the latter cannot fully partake in the determination of development priorities or goals of the country. Fortunately, in most jurisdictions, for example, Vietnam, Zimbabwe, South Africa, the principle of national ownership is fairly adhered to. The respective government provide sufficient space for the civil society to participate in development.

Additionally, national ownership can be construed as a process. This view was expressed by speakers at the London School of Economics Conference. In terms of this school of thought, there is need for national ownership restoration and refinement overtime. The scholars conjecture that there is a need for ownership to adapt to changing circumstances, for example, a change in government, when policies advance from design to decision making and from decision making to implementation, and control of development. Therefore, ownership is not a question of listing the

17 Id. See also, Global Partnership for Effective Development Cooperation, “Progress Since Busan: Country and Democratic Ownership” 4 April 2014.

actors, but understanding their interaction with each other. Understanding the interaction among the stakeholders.

There is consensus in development thinking that countries must develop their own strategies. If the creation of policy is free from external influence or interference there is, on the face of it, national ownership. If on the other hand, the donor sets conditions, or reserves the unfettered right to approve or disprove the plan, then what we have is nominal ownership.

One basic requirement of national ownership is that countries should adopt *Poverty Reduction Strategy Papers*. These strategies articulate the development goals of the country. The UN, in its rule of law initiatives, is guided by the United Nations Development Assistance Framework (UNDAF). These strategic documents are modelled in terms of the Guidance Note, provided for above, and also the UN Delivery as One strategy. The overarching feature therefore, is that the adoption of same is preceded by the consultation of the authorities, and other stakeholders in order to identify the needs of the country and set priorities. Once set, these development priorities shape the manner in which the United Nations finance development in that specific country.

*Poverty Reduction Strategy Papers* raise a question as to the relationship between ownership and accountability. The efforts to increase the leadership of recipient countries in the design and implementation of externally funded development strategies may be hampered. Through the IFI approval process for any access to donor assistance or concessional finance. Additionally, the IMF and World Bank have veto powers that give them the powers to vary the contents of the national strategy. Further, Poverty Reduction Strategy Papers must be approved the International Financial Institutions. However, this undermines policy autonomy and content. The country is faced with two options: to exercise leadership without undue pressure from external forces or to
succumb to, and give way to the suggestions made by the International Financial Institutions. In more cases, the country will opt for the latter.

This contradiction is hardwired into the country policy and Institutional Assessment (CPIAT) report card system used by the IFS to assess country performance on an annual basis. CPIAT scores, which determine the continuation of donor assistance, reflect a government’s commitment to neo-liberal policy and institutional reforms, rather than being based on successful poverty reduction or economic growth. As a result, recipient government are caught in a bind between the need to adhere to new liberal economic policies in order to obtain good CPIA score, while facing a simultaneous requirement to open up the policy making process to civil society participation where neo liberal economic policies are often seen to conflict with anti-poverty goals.\(^{19}\)

Some scholars have consistently argued that in developing economies, it is difficult to achieve “real national ownership.” Some even conjecture that developing countries’ ability to choose is crippled. They term this “nominal ownership.” One advocate to this proposition presents the following observation:

> While developing countries are urged to establish ownership, it is not easy for them to maintain “true ownership,” particularly in the post-cold war era. How can we distinguish true ownership from “nominal ownership”? A practical test is rather simple. It is to check whether a developing country can choose an alternative that is not granted by the international aid community. If this is possible, the wheel is in the hands of the developing country, and true ownership is there. Otherwise, ownership is only in name.\(^{20}\)

The overarching and deducible evidence from research is that national ownership is difficult to simplify. Most scholars provide basic characteristics, but do not give a one-size-fits all definition. As it stands, the real meaning of ownership is contested in the literature. What is helpful, though, is that renowned development practitioners and scholar, like Beier,\(^{21}\) provide useful insights into the principle. What follows hereunder, are the six-points as developed by Beier. Firstly, he opines

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\(^{19}\) Note 9 supra.

\(^{20}\) Yasutami Shimomura *Export Capacity Building in Thailand: Managing Donors and the Development Process toward a Self-Reliant Economy*

\(^{21}\) Note 19 supra. Christopher Beir (Germany GTZ): “Ownership: A guiding principle in Development Cooperation.”
that ownership is more than the existence or absence of national development strategies, for example, Poverty Reduction Strategy Papers. Secondly, it is not always the big and comprehensive plans that imply strong ownership. Such plans may even reduce ownership by being too demanding for the available steering capacities of the partner country. Third, this scholar notes that there might be further contradictions between ownership and other principles of the Paris Declaration; for instance, when donor harmonization leads to strong donor blocks that are more likely to impose donor recommendations on the partner countries.

Furthermore, Beier argues that there may also be contradictions between ownership and the modes of delivery generally preferred within the aid effectiveness agenda, for instance between ownership and conditionalities. Additionally, it is the scholar’s point of view that, while the Paris Declaration can also be interpreted as a strong capacity development agenda, ownership is far more than the self-determined administration of funds in the form of budget support programs. In terms of development’s mode of delivery, the observation highlights the need for a clearer distinction between the requirements for effectiveness with financial cooperation versus those with technical cooperation. Lastly, the scholar observes that the concept of ownership may also lead to the conclusion on the part of the partner governments that they are alone, should be the one to impose their concepts, with the donor acting as a silent partner.

The above observations should also be interpreted having in mind the views of other scholars. In order to fully advance the principle of ownership, the following seven points should be noted.

\[\text{Id.}\]
\[\text{Id.}\]
\[\text{Id.}\]
\[\text{Id.}\]
\[\text{Id.}\]
There have been adapted as they are from the original author, for their relevance in the issue at hand. The Working Paper, developed by Branco, offers some useful insights and overview of country ownership. These should be construed in line with, or in addition to the Beier observations on national ownership, cited above. According to Branco, real national ownership should mean, firstly, that the recipient agency originates the reform programme free from influence from external (relative to the recipient agency) pressures and interest groups. Secondly, real ownership should be read to mean that the donor agencies have no influence on the political agenda of the recipient agency other than financing it, and this has no effects on their willingness to finance the recipient agency. Thirdly, Branco opines that in a real ownership atmosphere, donors have no clear policy preferences, or do not express them if they have them; therefore, they make aid available irrespectively of policy choices made by the recipient, in an untied, unconditional and un-earmarked manner. Additionally, a change in the political environment in a donor country does not affect aid dynamics in any substantial manner, such that the recipient agency does not need to be concerned with such changes.

According to Branco’s analysis of national ownership, aid finance is predictable in the short and long run and steady, such that the recipient country does not have to beg or bargain for it, does not feel under pressure to comply with donor preferences, and knows how much and for how long aid finance is available. Next, this scholar opines that any other potential form of influence by the donor, such as through technical assistance, is exclusively exerted within the political agenda and

27 Id.
28 Id.
29 Id.
priorities defined by the recipient agency. The last point in terms of the Branco synopsis is that the recipient agency is fully informed and has homogeneous interests about policy options and preferences, such that policy choices and decisions reflect uncontested ownership. In a real and pragmatic environment, Branco notes, the above seven points, that describe ownership in its purest form do not manifest. Ohno’s observation is correct when considering the above. The descriptive view of the author, as itemized from a -g is unrealistic. What we have though is nominal ownership, where the power of the recipient government if limited by donor intervention.

The United Nations model to national ownership is a useful example that can be replicated. The UN system or practice of UNDAF is an excellent example. The UN works with the respective countries to determine a set of development goals. The adoption of the UNDAF is preceded by consultation and engagement of government, civil society organizations and the private sector. For example, in Zimbabwe, the government and the United Nations Country Team negotiated what is called the Zimbabwe United Nations Development Assistance Framework. This strategy constitutes a blue print in the manner in which the UN dispenses development assistance. The ZUDAF has six development goals that the parties agreed will influence the way in which the UNCT finances development. Such is a positive move, and has gained legitimacy as a result of the full and meaningful participation by all stakeholders.

The above examples illustrate the point that the government should be involved in all stages of planning. As highlighted above, any project that flouts on involving the State in the determination of development goals and projects, severely trumps on the principle of national ownership.

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Therefore, from a policy perspective, ownership may be construed to mean the participation by different organs and branches of government, private sector, and the civil society respectively.

Noting the equality in rights and duties between development partners, and also cognizant of the limitations, on the part of the recipient government in managing to implement the project, donors have a mandate to assist. They may render assistance in the form of supporting local institutions, building capacity of the government as such. Most developing countries are faced with human resources challenges, weak institutions amongst other things.

Some scholars have defined ownership in terms of donor management and policy autonomy and content. The former concept “refers to the capability of owning the relationship with the donor community. This requires the leadership in policy dialogue, coordination of diverse requests, selective adoption of donor advice, handling friction with diplomatic grace, and maintaining national pride.” Policy autonomy and content is defined in terms of “the capacity for identifying national development goals, rallying human and nonhuman resources toward these goals, setting coherent and realistic action plans and timetables, executing them without delay, responding to unforeseen situations, coping with income gaps and other problems generated by growth, management of globalization and associated risks”.

IX. CONCLUSION

31 Izumi Ohno and Kenichi Ohno, *Fostering True Ownership in Vietnam: From Donor Management to Policy Autonomy and Content*

32 *Id* at 37.

33 *Id.*

34 *Id.*
In a nutshell, national ownership is an essential ingredient in the aid effectiveness agenda. Although, a laudable definition is non-existent, it has been established that national ownership is a multi-dimensional concept. Scholars, policy makers and development practitioners are at logger heads in developing a workable definition. However, on a positive note, scholars have managed to develop a criterion to determine the basic features of country ownership.

X. BIBLIOGRAPHY


