

WHAT DOES AID EFFECTIVENESS MEAN FOR LOCAL AND REGIONAL AUTHORITIES?

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Introduction

The issue of “aid effectiveness” has been high on the agenda of the European Union and other donors for several years, and remains a priority. But discussion on how the concept should apply to local authorities engaged in decentralised co-operation is only just beginning (e.g. in UCLG’s draft position paper). This short paper aims to raise a few points to help with this debate.

The Paris Declaration

The Paris Declaration on Aid Effectiveness was adopted in 2005, and sets out the key principles which the ministers responsible for development (in both “developed” and “developing” countries) agreed on. They are very much a framework for *national* policies.

These principles are:

- ***Ownership by the partner***
Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions
- ***Alignment***
Donors base their overall support on partner countries’ national development strategies, institutions and procedures
- ***Harmonisation***
Donors’ actions are more harmonised, transparent and collectively efficient
- ***Managing for results***
Managing resources and improving decision-making for results
- ***Mutual Accountability***
Donors and partners are accountable for development results

The Declaration does not really focus on the role and responsibilities of other “actors” including local authorities and civil society organisations (CSOs). Some of the principles clearly apply, in particular managing for results. But others raise questions, when translated to local actors. Whose “ownership”? The national or local government? “Alignment” to whose development strategies? The national or local government’s? These questions have not been deeply considered to date.

The Accra Agenda for Action

The Accra Agenda for Action came out of another ministerial/donors’ conference in September 2008, aimed at accelerating and deepening implementation of the Paris Agenda. Three key challenges were identified:

Strengthening Country Ownership over Development

Under this point, the Agenda makes some explicit reference to the role and importance of local authorities in developing countries:

“Developing country governments will work more closely with parliaments and local authorities in preparing, implementing and monitoring national development policies and plans.”

“Donors will support efforts to increase the capacity of all development actors—parliaments, central and local governments, CSOs, research institutes...”.....

“Developing countries will systematically identify areas where there is a need to strengthen the capacity to perform and deliver services at all levels—national, sub-national, sectoral, and thematic—and design strategies to address them.”

Building More Effective and Inclusive Partnerships for Development

Under this heading, the Agenda for Action highlights the need to “reduce costly fragmentation of aid” and to look the issue of countries that receive insufficient aid.

In addition, emphasis is placed on increasing aid’s value for money – “donors will promote the use of local and regional procurement”.

And also very important, the Agenda says “we welcome and will work with all development actors”, encouraging all of them to use the Paris Declaration principles as a point of reference. It explicitly pledges to “deepen our engagement with civil society organisations” but there is here no specific reference to local authorities.

Delivering and Accounting for Development Results

Under this heading, the Agenda also makes no explicit reference to local authorities, but the general principles a focus on results, and accountability - are obviously applicable to all development actors.

The most important point to note is the emphasis on “development results”, i.e. the impact on the lives of poor people.

Some issues for local and regional authorities

Several points need to be emphasized:

- (a) Local and regional authorities are actors for development, in developing countries, but also as partners from the “north”, or from other countries in “south-south” partnerships. To its credit, the European Commission has clearly recognized this in its 2008 communication on the subject, but the “donor community” still needs to take this on board more clearly, in following up the Paris and Accra commitments.
- (b) Local authorities for the most part see themselves as development partners and actors, not as donors. The European Commission’s Communication “Local authorities: actors for development”, for understandable reasons placed quite a lot of emphasis on the role and financial contribution of local (and especially regional) authorities, but in my view there is a risk of drawing incorrect or over-generalised conclusions about the “donor” role and capacity of most local authorities. The “donor” role of large and powerful regions in federal or quasi-federal countries (Germany, Spain...) is more akin in some ways to that of national development ministries in most other countries.

- (c) For local authorities, as CONCORD has argued on behalf of its CSO members, the real issue is “development effectiveness” not “aid effectiveness” – the two concepts are of course linked, but the emphasis on “aid effectiveness” is more natural for major donors rather than other actors / partners.
- (d) Local authorities have a long track record of work in decentralised co-operation and municipal international co-operation; some of it is undertaken under programmes organised at national or European etc. levels, and may (or not!) be well co-ordinated geographically or thematically under the programme. But many other local to local actions are based on more autonomous decisions between individual northern and southern partners.
- (e) For local authorities, therefore, the Paris Declaration principles pose some difficult questions. How far must “ownership” mean “national ownership”, or how far should it mean “local ownership”? Of course, where possible these should coincide or at least not be in contradiction. But we cannot guarantee this. The same kind of question arises with “alignment” – alignment with national or local development strategies, in case of difference?
- (f) The issue of harmonisation poses slightly different issues for us – how far can and should local authorities harmonise their development co-operation activities? There is one good argument which says that – to justify use of public money – there should be a lot of harmonisation (a) between northern local authorities, in deciding who seeks to take part in which activities and in which countries, and (b) between the northern and southern local authority partners in relation to each developing country, to ensure that the needs of people in different areas are met on an equitable basis. Against this, one can pose another logic, at least in many cases – i.e. local to local co-operation is often based on long-term partnerships between towns that have built up a confidence and track record in working together. These partnerships have their own value and should not be subsumed into wider frameworks.

Some tentative conclusions

- Local authorities need to be aware of the importance of the continuing discussions on “aid effectiveness” and “development effectiveness”. We need to play a positive role in these debates, and through our Platforms and associations, in particular in view of the Seoul follow-up which will take place in early 2011.

We can for the most part adopt the three main “challenges” of the Accra Agenda for Action as guiding our decentralised cooperation actions:

Strengthening country ownership –we re-emphasize the absolute need for local authorities to be much better involved in reality, not just in words

More effective and inclusive partnerships for development – we should argue for all donors – not just the European Union and some national governments – to explicitly recognise local authorities as actors and partners for development – in developing and developed countries.

Delivering and accounting for development results – we need to promote a stronger emphasis on this aspect in all of our development cooperation work; we sometimes risk giving the impression that local to local cooperation will of itself generate good results – we need to be able to justify this more clearly, with clear objectives, indicators and evaluation.

- We can in general adopt the principles of the Paris Declaration with some necessary adaptation to reflect the nature of decentralised cooperation.

On “ownership”, while encouraging co-ownership between all levels of government, our commitment must be to **local** ownership of its development strategy by the developing country local authority.

On alignment, the alignment must be with the southern local authority’s development strategy.

On harmonisation, we need to think carefully about how far to harmonise our actions. There may be a need for “vertical” harmonisation between different levels of government in organising programmes and actions, and local authorities need to think more about “horizontal” harmonisation between local authorities, e.g. to get a more targeted approach.

- The European Commission would like local authorities to take forward the “effectiveness” agenda. It has taken an important step in recognising local authorities more fully as actors for development – even if we need to improve this recognition in practical ways – and as a very large donor, wishes to see its aid money spent effectively. In some cases, more coordinated action by a group of local authorities/regions from the north, working with a specific group or regions or local authorities in the south, may be the way forward. But how far do we wish to take this concept?
- Similarly, how far do we in Europe need to better co-ordinate what we do (a) as between different developing countries, (b) within partner countries? Are some countries left out because others are easier to work in or more “fashionable”? Do we risk duplicating what we do within particular countries, or treading on each other’s toes, or otherwise not using scarce resources effectively?
- We are still at a stage when theoretically, a lot of development funding and assistance should be channelled to local authorities in developing countries – but the reality is often otherwise.

Moreover, we are still at a stage when the amount of funding for decentralised cooperation partnerships is very limited, even taking into account programmes like the Non-state Actors and Local Authorities programme

- So the major priorities for local authorities in the “effectiveness” debate is to continue to make the case for
 - A better and wider recognition by large donors of local authorities as actors and partners for development
 - A better recognition of the diversity of issues and types of partnerships where local authorities can play a key role in development
 - Adequate financing by large donors for decentralised cooperation between local and regional authorities, including programmes adapted to the specific roles and contributions of local and regional authorities for development, including thematic and city to city types of programme

But while making this case, we need to look at ways of enhancing our coordination, cooperation and clarity of objectives – in the interests of greater effectiveness.

- We do not wish to “throw the baby out with the bathwater” by losing the good points of our partnership work to date – but we can and should examine ways of improving our contribution, in line with our own interpretation of the principles of the Paris Declaration and Accra Agenda for Action.