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Localising sustainable development: a call for a paradigm shift in official development assistance (ODA) studies

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Introduction

The seventh Forum of the Global Partnership for Effective Development Cooperation took place in Busan, South Korea, in December 2023. Throughout the two-day event, “Delivering Better Together for Sustainable Development”, there was a consistent emphasis on the importance of placing the needs of aid-recipient countries at the forefront of development partners’ agendas. Numerous recommendations were put forward to aid donors, stressing the imperative of actively listening to the voices and perspectives of local stakeholders. The forum organisers concluded by calling for a paradigm shift in development aid as soon as possible (Global Partnership for Effective Development Co-operation 2023).

This viewpoint delves into the intersection of aid and the concept of shifting power, emphasising the necessity for a paradigm shift in the study of official development assistance (ODA). Our primary focus is to demonstrate that a shift in direction within ODA research is necessary to understand and replicate strong local ownership in climate-related projects. We initiate our exploration by examining the relationship between ODA and “shifting the power”, acknowledging that the advocacy for such transformative change is longstanding. Despite the redirection of aid in the post-1992 era, following the Rio Summit, as well as the commitments made by donors in 2015 towards achieving the Sustainable Development Goals (SDGs), there has been insufficient evidence of power dynamics shifting in practice. While donor discourse has evolved, the research community has yet to fully explore its impact regarding the influence on local participation and stakeholder engagement. To truly understand the effect of donor practices on power dynamics, it is essential to reconsider aid research methodologies, with a broader focus on all stakeholders, especially local actors.

Shifting the power in official development assistance

According to the Development Assistance Committee (DAC), ODA encompasses all resources provided by public institutions to countries and territories listed as ODA recipients by the DAC, or to multilateral institutions. The primary objective of ODA is to promote economic development and improve living standards in developing countries. The aid instruments employed include soft loans with a grant element, grants, and technical assistance (OECD n.d.). Additionally, ODA encompasses food aid, emergency assistance, refugee support, debt relief, and certain peacekeeping operations (Bossuat 2013). Since the 1990s, the objectives of aid have expanded to include adaptation to and mitigation of climate change. In the early 2000s, in response to widespread criticism of ODA, the DAC established five key principles for aid: partnership, empowerment, ownership, participation, accountability, and transparency.

The idea of shifting power in aid practices is grounded in these key principles, particularly the principle of ownership. The definition of ownership can sometimes be ambiguous, as it may refer to either “local participation” or “national ownership”,

which are distinct and sometimes conflicting concepts (Hasselskog 2019). According to Hasselskog, national ownership “concerns the level of leadership that an aid-recipient state exercises over domestic policy-making” (Hasselskog 2019, 92), whereas local ownership refers to “people’s active involvement in development-related activities with some form of external input” (Hasselskog 2019, 91). Local ownership entails building the capacity of stakeholders, including locally led civil society organisations, Indigenous communities, and specific groups, such as women and young people, and actively involving them in all stages of aid, from project design to implementation and evaluation. Both interpretations of ownership imply a shift in power. In this viewpoint, we focus on local ownership and how this principle has been employed by ODA providers.

Local ownership has been acknowledged by the donor community since the 1960s yet its implementation has been contentious. Despite its integration into donor programs since the 1980s, the rise of participatory governance, and the expansion of participation policies among donors in the 1990s, critics have highlighted numerous shortcomings. A significant critique is that local participation “has [...] been turned into a set of technical tools” (Lazaruz 2008, as cited in Hasselskog 2019, 94; Leal 2010), leaving its actual impact, particularly on potential societal changes, uncertain. Moreover, the application of local ownership by donors could potentially be detrimental due to the manner in which local ownership is incorporated into aid through a top-down approach (Segers et al. 2008; UN-REDD 2019) or as a rhetorical tool to showcase donors’ good practices (“local washing”). This underscores the disparity between what donors define as effective practices and the reality of these practices on the ground, reflecting the distinction between weak and strong ownership (Whitfield 2009). Furthermore, there is limited study and evaluation of its outcomes, with research on aid primarily focused on the question of aid effectiveness and its impact on economic growth in recipient countries, rather than on promoting the voices of local stakeholders (Duhem 2024; Ortmann 2017).

However, the application of the principle of local ownership is gradually shifting towards less top-down approaches, particularly through the increased involvement of civil society organisations in aid debates and the influence of frameworks such as the Istanbul Principles (2010), the 2030 Agenda (2015), and networks such as the Global Partnership for Effective Development Co-operation (GPEDC) and the CSO Partnership for Development Effectiveness (CPDE). Nevertheless, CPDE acknowledges that significant room for improvement remains. Twenty years after the creation of the principles of aid, GPEDC has sounded the alarm about the decline in the engagement of civil society organisations by ODA donors (OECD and UNDP 2019) – a clear indication that donor words do not always translate into actions.

ODA and the SDGs on the way to a power shift?

According to the OECD, the share of climate change funding within bilateral ODA delivered by DAC members doubled between 2012 and 2021, increasing from USD 24 billion to USD 47 billion (OECD and DAC 2023). In the previous section, we defined local ownership and established its importance as a crucial element in shifting power dynamics within aid practices. When considering the issue of climate change adaptation and mitigation, it becomes evident that strengthening local ownership is

fundamental to achieving climate justice. Climate justice entails recognising the rights and needs of populations vulnerable to climate change, ensuring their access to the necessary resources to address these challenges, and affirming their right to participate in decision-making processes related to climate change adaptation and mitigation (Anderson 2013).

The link between climate finance and local programs is promoted by many international actors, such as the CPDE and GPEDC, and is also found in sustainable development programs such as the SDGs. This section examines the relationship between the SDGs and the concept of shifting power, specifically by exploring how the SDGs can serve as a tool for integrating local ownership into ODA projects related to climate change adaptation and mitigation.

Shifting the power is at the heart of the SDGs. These goals promote respect for national policy space, the development of effective civil society partnerships, and the strengthening of human and institutional capacity for climate change adaptation and mitigation. Furthermore, SDG 17: Partnerships for the goals recognises the importance of “multi-stakeholder partnerships [...] to support the achievement of the SDGs in all countries, especially developing countries” (The Global Goals n.d.). The SDGs and their associated targets are notably interlinked, implying that progress towards achieving one target could, in principle, positively influence the attainment of others. However, the converse may also be true.

Looking at the latest data from the OECD and DAC on climate-related ODA, of the nine bilateral donors recognised as the largest funders in this sector,¹ all mention the SDGs in the documentation available on their websites.² All of them also emphasise strengthening local ownership as a key objective of their aid, aligning with the promotion of people-centred development. This indicates a recognition of the importance of placing local stakeholders at the centre of the aid process. Additionally, five donors³ mention the concept of shifting the power, linking it to the idea of locally led development, especially concerning climate change and efforts to combat its effects.

Despite financial commitments to climate change and the importance of local participation, the connection between these goals and local ownership remains largely rhetorical. ODA providers have yet to clearly explain or demonstrate how they integrate climate objectives with local participation. This gap between recognising the

¹ Japan, Germany, France, United Kingdom, United States, Netherlands, Norway, Sweden and Canada. This ranking is based on data from the Climate-Related Development Finance Partner Country Perspective, produced by the OECD and the DAC. The database was accessed on 12 December 2023 and was last updated on 28 April 2023. The dataset was filtered to include data from the years 2015 to 2021, DAC members only, and bilateral donors only, resulting in a list of nine donors. Available at: <https://public.tableau.com/app/profile/oecddevelopment/viz/Climate-RelatedDevelopmentFinanceRecipient2021/CRDFRP>

² For this research, the websites of the development agencies in the donor countries were consulted, along with the websites of the ministries to which they are affiliated. These websites were last accessed on 16 April 2024.

³ Germany, France, United Kingdom, United States, and Norway.

need for locally led development and studying it from the local perspective is a pressing challenge that ODA research must address.

The need for a paradigm shift in ODA research

The first two sections of this perspective highlight the evolution of donor discourse and its influence on donor aid and orientation. Donors have integrated into their roadmaps terminology related to the concept of power shifts: empowerment, ownership, locally led development, capacity building, and more. Despite this, many questions persist about the actual impact of aid on local actors. Is ODA truly a source of empowerment and ownership? How can this be measured? Does it contribute to climate justice in recipient countries? How do different stakeholders in partner countries perceive aid? This list of questions could continue without answers, yet they all converge on the same central point: the perspectives of local stakeholders are under-researched in ODA studies. Research remains heavily focused on examining the effectiveness of aid, its impact on economic growth, or the ranking of donors based on OECD and DAC data. While these studies illuminate changes in donor practices, they often overlook the voices and perspectives of local stakeholders.

Alternative approaches to studying aid are needed, particularly bottom-up approaches. This section examines how ODA providers who are members of the DAC incorporate the views of local stakeholders and generate transferable knowledge on the subject. For several years, development agencies have been creating tools to achieve this objective. One such tool is stakeholder analysis, which aims to:

Identify the relevance of each actor and to provide knowledge about the stakeholders who are actively involved in a development intervention – about their interests, perceptions, relationships, and strategies, and about how they articulate and deploy their interests in alliance with other stakeholders. (GIZ 2007, 52)

This definition of stakeholder analysis is sourced from a 2007 report published by the German International Cooperation Agency (GIZ 2007). Despite a very precise description of the tools and steps required to carry out such an analysis and a presentation of the advantages of this approach in the ODA sector, it has not been widely utilised in the research community. This approach was developed with the aim of enhancing the impacts of ODA-funded projects by studying stakeholder relationships upstream. It can also be used to understand stakeholder involvement and positioning in relation to specific issues such as climate change.

The absence of stakeholder analysis in ODA research is a significant shortcoming, as it limits the ability to examine power relations, the interaction between national and local stakeholders, and the dynamics within networks. It is from this knowledge that lessons can be drawn to advance the discussion and implementation of power-shifting strategies. By taking a bottom-up approach and examining the actors and the networks that connect them, it becomes possible to identify the diverse shifting interests, preferences, and cultural orientations of these actors. This change of approach represents the paradigm shift in ODA research, although we regret that there is still a certain level of mistrust towards empirical

approaches and non-numerical data within the academic community. In the following section, we examine how incorporating the perspectives of various stakeholders involved in aid can lead to a shift in ODA research. Specifically, we explore the integration of local perspectives in climate-related programs in Viet Nam.

Integrating local stakeholder perspectives in ODA-funded climate initiatives: insights from Agence Française de Développement projects

We have chosen Viet Nam to illustrate how ODA donors consider, research, and share local perspectives in climate-related projects. As one of the ten countries most vulnerable to climate change, Viet Nam faces significant challenges from rising sea levels, altered Mekong River flows, and heavy rainfall, which, if unaddressed, could lead to population displacement, loss of arable land, and reduced GDP. Viet Nam's transition to a lower–middle-income country in 2010, along with its growing climate vulnerability, has shaped the direction of ODA. As a result, Viet Nam's historical donors, including Agence Française de Développement (AFD), have redirected some or all of their ODA to climate change adaptation and mitigation.

As we have observed, donors are simultaneously pledging to increase climate finance and to enhance local participation. While these two commitments are not always integrated within the same project, they are aligned in several ODA-funded projects in Viet Nam, such as the Support Programme to Respond to Climate Change (SP-RCC) financed by the AFD. The SP-RCC was a multi-year program that provided budgetary assistance and technical support for the implementation of Viet Nam's National Target Program to Respond to Climate Change (Duhem 2024, 108). The SP-RCC was active from 2009 to 2019, concluding with an evaluation in its final year. As analysed by Duhem (2024), although the involvement of local stakeholders was an objective of the SP-RCC, this aspect was not addressed in any study prior to the project (ex-ante) nor during its evaluations (ex-post). Despite the SP-RCC funding 60 projects proposed by Vietnamese provinces and the provision of technical assistance from donors, the absence of evaluation or research on these initiatives has hindered understanding of how they might have benefited the Vietnamese people or contributed to strengthening local ownership. The SP-RCC exemplifies a project where the commitments made by donors were not fully realised. These shortcomings are not solely attributable to the donors but also reflect the inherent challenges posed by the national contexts of the recipient countries.

Viet Nam's political and administrative system poses a major obstacle to developing strong local ownership. In 2019, international aid organisations highlighted how the rigid planning system hinders local participation in climate initiatives and stressed the need for “channels of dialogue to concretise what stakeholder engagement could mean in the Vietnamese context” (UN-REDD 2019, 9).

However, the challenges inherent in non-democratic systems should not deter efforts to promote greater local participation. The AFD-funded ACTAE (2015–2019) and ASSET (2019–2025) projects effectively demonstrate donor commitments to local participation in Southeast Asia (Cambodia, Laos, Myanmar, and Viet Nam). These projects promote agroecological practices by generating technical and organisational

knowledge on agroecology and conservation agriculture while facilitating knowledge exchange among stakeholders through the ALiSEA network.

Their primary goal is to develop sustainable agricultural systems and foster cross-country knowledge sharing. To achieve this, they employ tools like the Theory of Change. This approach incorporates stakeholder analysis by focusing on developing and managing partnerships and involving stakeholders – especially local ones – early in the decision-making process. A key aim of the Theory of Change is to show local stakeholders how their contributions support long-term impact, thereby reinforcing strong local ownership.

Such projects could yield several significant spin-offs: the creation and dissemination of knowledge among local and regional actors, the formation of new networks to circumvent rigid planning systems, the development of tools to support sustainable initiatives (e.g., mobile solutions as seen in ASSET or REDD+), and the establishment of replicable processes to enhance local participation. Furthermore, the effect on aid effectiveness would be positive, as these advancements would strengthen the long-term impact of ODA-funded projects.

However, we have limited hindsight on the ASSET project, which is still ongoing, and there is little data on similar initiatives due to the inadequacy of ODA evaluation systems and the lack of research on this type of project. Further research is necessary to explore how strong local ownership can be effectively developed and replicated through climate ODA-funded projects. These conclusions reinforce our call for a paradigm shift in ODA research.

Conclusion

Our work highlights critical gaps in ODA research, particularly concerning local ownership. We advocate for a fundamental shift in research approaches, urging ODA providers and academics to invest in robust studies that promote and replicate strong local ownership in climate-related projects. Without this focus, local ownership and the concept of shifting the power risk remaining mere rhetoric. We call on the research community and ODA practitioners to prioritise this agenda, ensuring local ownership becomes a tangible and measurable outcome of climate aid, not just a superficial commitment.

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