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Diverse State-Society Relations: Implications of Implementing the Paris Declaration

Katie Wright-Revolledo, June 2007

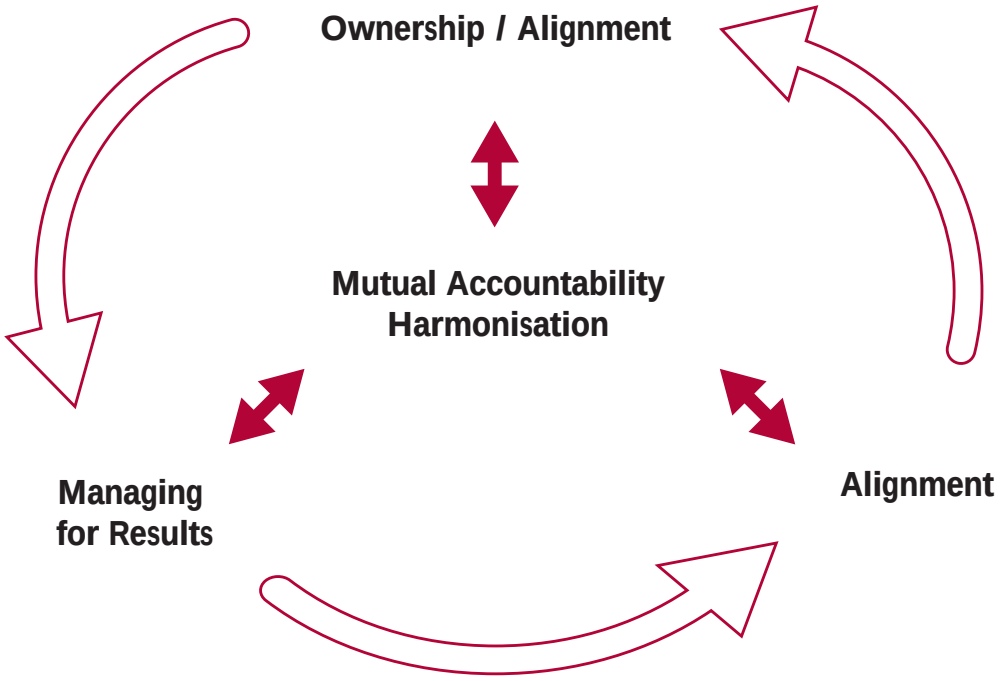
Introduction

What are the implications of implementing the Paris Declaration across diverse country settings? Based on analysis of the implications of the aid effectiveness (AE) agenda, this paper builds on in-depth knowledge of civil society-state relationships, essential to implementing development goals such as the MDGs. It draws on ten of the most recent Development Assistance Committee (DAC) reviews together with other sources. The objective is to examine and locate the diverse kinds of experiences of civil society-state relationships in selected national contexts to assess the possible implications of implementing the Paris Declaration (PD) and the AE agenda across diverse regional settings. It suggests that greater attention needs to be paid to socio-political context and the relevance of history to gauge how the potential effects of implementing the PD may vary. The analysis suggests that insufficient attention to contextualisation in implementation may risk undermining the achievement of the five principles underlying the AE agenda.

A brief of history of aid effectiveness

The Working Party on Aid Effectiveness (AE) at the Development Assistance Committee (DAC) of the OECD stands as the body implementing the Paris Declaration, with targets set for 2010. The impetus for the aid effectiveness agenda came from the 2002 Monterrey UN Summit on Financing for Development, where bi- and multilateral donors agreed to increase both the effectiveness and the volume of aid. The Paris Forum and Declaration on Aid Effectiveness (March 2005) followed, based on the core principles of ownership, alignment, harmonisation, managing for results and mutual accountability. The AE agenda deals specifically with aid from donor governments and large multi-lateral institutions to Southern governments. Hence the focus is on improving the public administration of aid and in particular within a setting of enhancing financial management. The principles upon which the PD is based are thus set within this largely administrative framework. The principle of aid harmonisation, for example, calls for donors to coordinate their activities and eliminate duplication.

Principles of the Paris Declaration



Source: Adapted from Fleming, Cox, Sen, Wright-Revolledo (2007).

Public administration of aid: Missing the point?

Though civil society organisations have welcomed some of the principles behind this agenda, such as improving ownership and greater efficiency in terms of the way aid is delivered, there is also concern as to how this agenda will be implemented. Agenda setting within the current aid industry is increasingly an overtly political process, with Northern security issues together with the thrust for economic liberalisation dominating and determining behind the scenes aid flows to countries compliant with this (largely Northern) agenda. Conversely, development policies and aid instruments being adopted and supported are becoming increasingly depoliticised in tone. Many observers including some NGO commentators have raised concern that increasing reliance on models of aid delivery focused on enhancing the efficacy of public administration of aid, are not only dominating aid disbursement but are also veiled as broader 'theories' of development. The Paris Declaration is a case in point. Such models and 'aid instruments' are essentially focused on improving public administration of aid (focusing for example on short-term measurable results and outputs) and perhaps inevitably fail to engage with the political dimensions of poverty alleviation, as well as historical knowledge produced over time that sheds more light on what has been known to work.

Instruments applied prior to the PD such as Poverty Reduction Strategy Papers (PRSPs), have also paid insufficient attention to contextualisation, and have been seen by Southern constituents as an imposition from outside, causing disillusionment with the whole process. For example, in Zambia, though civil society participated in the PRSP planning process they had very limited influence in terms of actual allocations, except where resources had been specifically been earmarked to support civil society organisations' (CSO) programmes (INTRAC, 2006). Thus, not only has implementation of such instruments typically been highly problematic, but further it would appear that such lessons are repeatedly being missed in terms of achieving broader and more meaningful consultation around development priorities with those working at grassroots level.

In line with these trends, governments in eighteen countries have now signed up to the aid effectiveness agenda (embodied in the Paris Declaration), with the UK government and supporters within DFID pushing it quite heavily. This comes despite some reservations from particular departments within this agency that

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poverty alleviation, social policy, gender and human rights that have largely been missed (INTRAC, 2007). Northern NGOs have been supportive of the principles of the PD, but remain sceptical about the process by which the PD proposes management of aid (INTRAC 2007, SIDA 2006). For example, they have questioned its likely impacts, scope for inclusion of civil society actors, and, above all else, its ability to have a real impact on the lives of poor people worldwide. In particular they fear the absence of civil society voice though poor consultation and opportunity for discussion around development priorities. This reflects the more general lack of recognition of the crucial role played by non-state actors in the development process.

By setting the AE agenda within broader national and regional socio-economic and political frameworks, the next section assesses some of the likely implications of implementing the PD. It highlights how application of its five key principles (namely ownership, alignment, harmonisation, managing for results and mutual accountability) to specific country contexts may be more complex than at first appears. Understanding of context reveals challenging questions regarding implementation of the AE agenda. The analysis that follows suggests that internal factors and variance by country and region needs to be considered if the PD is to be implemented in a way that enhances rather than undermines the achievement of broader social development goals.

The impact of the Paris Declaration outside Paris

Interestingly, across Northern and Southern Europe mechanisms facilitating policy dialogue remain relatively weak or are not used sufficiently. For example, in the Netherlands the Ministry for Foreign Affairs lack a systematic and strategic approach to policy dialogue with civil society beyond the co-financing and contractual arrangements with NGOs. Most of the reviews urge the creation of more avenues to provide consultation between government and the third sector. Even in countries where civil society participation is traditionally strong, such as in Sweden, systematic, strategic and transparent approaches to policy dialogue and national forums for this are still lacking (Sweden DAC Review, 2005). Furthermore, there are growing concerns within the NGO community in Northern and Southern Europe that aid harmonisation that may constrain their ability to innovate. There are also serious concerns that alignment might limit their scope for influence by infringing on independence and the autonomy of civil society actors.

a) Southern Europe

Relationships between government ministries and civil society organisations in Southern Europe, such as **Portugal, Greece and Cyprus** have been typically weak, characterised by high levels of mutual suspicion and distrust.[1] Accordingly, civil society in Southern Europe has played a marginal role in development processes. For example, the DAC Review for Portugal (2004) highlights that civil society organisations (CSOs) have played a particularly marginal role in Portuguese development aid despite, for example, the strong links between the Portuguese population and societies in the PALOPs and Timor-Leste. One critique of the PD to date is that despite rhetoric about **country ownership**, if civil society organisations are not strengthened in their own right and become only subcontractors and arms of their own governments to access donor resources, their ability to hold governments to account is likely to be severely constrained. Thus, in such country contexts where the relationship between government authorities and NGOs has been characterised by mutual distrust and where civil society is weak, in the rush to foster closer links between governments and donors through AE, civil society organisations are likely to become even more marginalised from development processes. They may also become

1 The DAC Reviews for these countries document that it has been suggested that involving a multistakeholder team might help to dispel the misunderstandings that have characterised that relationship in the past. To increase collaboration a number of new mechanisms are to be put in place including co-operation clusters and a forum for development co-operation as a vehicle for dialogue with civil society. This should strengthen the links between civil society actors and the public authorities.

severely constrained in their ability to hold governments to account, weakening further their watchdog role that is so critical if the **accountability** principle laid down by the PD is to be upheld. This could potentially thwart both the principles of ownership and accountability as laid down by the PD, whilst lack of attention to the importance of equal partnership between governments and civil society may risk undermining the broader goals of achievement of social development goals as stipulated, for example, in the MDGs.

Portugal is not an isolated case. In other countries in Southern Europe, such as Greece, the relationship between NGOs and the main government agency, Hellenic Aid, has typically been very weak. Further, the imperative to comply with Greek rules regarding public accountability and to provide guarantees for effective implementation of projects should be balanced against the risk that too many administrative requirements and controls (including sometimes incompatible and competing forms of appraisal, reporting, and evaluation procedures) are already hindering the operational capacity of NGOs (DAC Review Greece, 2006). Though the number of NGOs is growing (with the Hellenic AidRegister now counting 415 NGOs, compared to 150 in 2002), those which are theoretically eligible to receive public funds often lack operational experience and capacity. Managing this large number of NGOs is becoming a serious issue (DAC Greece, 2006). Where organisational capacity of NGOs is already becoming seriously stretched, with the added burden of even greater administrative requirements set down in the PD that focuses on administrative accountability first and foremost, such an approach to development may risk undermining one of the key roles that have been adjudicated to civil society by the PD – that of **providing effective delivery of development programmes and operations** in such a way to achieve the social empowerment of vulnerable populations (Advisory Group on Civil Society and Aid Effectiveness, 2007).

b) Northern Europe

The weaker civil society role in Southern Europe contrasts strongly with countries in Northern Europe such as the **UK, Switzerland, Norway and Sweden**, which have longer histories of civil society participation. Yet, interestingly in cases where there is a tradition of commitment to the third sector, such as in **the Netherlands**, tensions have emerged over the growing focus on 'professionalisation' of the NGO sector and accompanying results-based approaches. There are concerns that this may lead to large 'paperwork exercises', encouraging NGOs to move away from addressing more critical and urgent issues of human rights and good governance, where outcomes are often more difficult to assess. In **Sweden**, NGOs highlighted concern that new calls for results reporting may be no more than a paperwork exercise eventually going into a "black hole". Similarly, the introduction of a strong MfDR (**Managing for Development Results**) emphasis for NGO funding has caused various tensions in the relations between the **Dutch government** and Dutch NGOs. Smaller NGOs have argued that such an approach leads to increased "bureaucratisation" simultaneously creating an access barrier for CSOs that lack capacity to fulfil the extensive MfDR requirements. The decision to outsource the management of the framework for assessing NGO funding proposals to an external advisory committee has also been challenged, with concern that this could lead to a reduced level of dialogue - and mutual influence and learning - between NGOs and government officials. The DAC review for the Netherlands (2006) recommends that the government should consider how to manage potential risks identified by the NGOs, for example in ensuring that they are not discouraged from innovating and risk taking and remain able to adapt to changing country circumstances.

Given existing tensions in Northern Europe around the increased focus on results measurement, the application of the PD which is premised on a strong results-based agenda is likely to encourage a strategy of NGO **risk-avoidance** as NGOs focus on more easily measurable service provision outputs (e.g.

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numbers of schools) and move away from addressing underlying political issues of human rights and good governance, where results may be harder to measure or demonstrate. A strong focus on managing for results will lead to **greater competition** amongst them, with time taken up with 'branding' issues of individual NGOs (as seen for example during the flag flying of particular agencies during the Tsunami efforts in 2004). Increased attention to 'proving results' as set out in the PD (as opposed to 'improving' development programmes) is likely to encourage NGOs to **divert scarce resources and management effort away from core development activities.**

On the PD principle of **aid alignment, Norway** has argued that whilst it will continue to support CSOs that have an advocacy role and act as watchdogs of governments, it will only support service providers that align their activities with national policy frameworks. According to the DAC review for Norway (2005) a number of NGOs are concerned about being quite so aligned with the government's priorities (for example in the fields of human rights, governance and constitutional reform). Further, some NGOs perceive their ability to realise their specific advantages are being constrained by ambitious structures such as, for example, the Zambian Harmonisation in Practice (HIP) framework. The review recommends that an explicit strategy should be elaborated to manage the relationship between the Norwegian Government and NGOs, reflecting the diversity of roles that NGOs fulfil in long term co-operation as service providers and advocacy entities, and with more efforts made to highlight their contribution towards poverty reduction. This review mentions that in order to preserve and safeguard the comparative advantage of civil society, it is important for them to maintain their distance from government, and states that a mechanical application of harmonisation would not be appropriate.

In the context of poverty reduction, the role of NGOs in Norway will increasingly consist of enhancing the ability of marginalised groups to fight poverty. More recently, the publication of the government's White Paper has stimulated consultations on development results, harmonisation, priority-setting and the role of NGOs. Reactions to the White Paper have covered a wide range of views. Many comments have focussed on the aspects of the document regarding NGOs and the expectation that they should align their activities more with official programmes, without sufficiently acknowledging the value of their independence. Criticism has also been voiced about the emphasis on results without due recognition of the difficulty of specifying these results in the development co-operation context. Increasingly, the government wants to link Norwegian NGOs' activities in service delivery to poverty reduction strategies as well. A number of Norwegian NGOs consulted by the DAC review team see their organisation as a way for the government to strengthen its control over development policy and "mainstream" donor harmonisation and alignment with national PRSPs. They are concerned about the implications this may have.

In **Belgium** also it has been pointed out by an external evaluation of NGO funding carried out in 2004 that the current aid policy climate lacks understanding of the **specific nature and value added of the work done by NGOs**, which are not sub-contractors for public authorities but first and foremost "an offshoot of civil society" and as such need to find ways to retain their autonomous position. In the present environment of co-financing in Belgium, in order to avoid dispersal smaller NGOs (which are often the most heavily dependent on government funding) will have to plan their co-financed action for a limited number of countries. Yet, NGOs in Belgium have asserted their independence and in particular, they are unwilling to leave certain countries, like Burkina Faso, where long-term partnerships have been established. The independence of NGOs is partly contingent on the mobilisation of private funds and their other sources of funding. Reforms currently under discussion in Belgium provide some opportunity for redefining the foundations and terms of the partnership between the State and NGOs as it concerns supporting partners in the South and reinforcing the capacities of NGOs.

Based on the examples of Norway and Belgium it could be argued that there is a risk that a top-down application of the PD is missing the point about alignment. True alignment would be based on resonance between those at the grassroots rather than imposed in a top-down way from outside. The latter approach fails to build on existing resonances between CSOs.

(c) The United States

In the US context, Northern security issues predominate overtly, determining the development agenda. The Department of State and Defence has huge influence in terms of monetary flows. In terms of the PD this raises issues as to how far NGOs can monitor the **accountability** of the US state. NGOs are mentioned in their capacity to deliver on development programmes (being subcontracted by consulting firms), "to raise public awareness of government actions" and third to "garner political support" (US DAC Review, 2006). In so blatantly casting civil society organisations as merely an arm to serve the interests of the state, and in the present climate in the US, with organisations such as US AID so heavily dependent on state funding and patronage, attempts to preserve the autonomy of civil society organisations have already shown signs of becoming severely weakened. The application of the PD appears to be simply one more sign of reinforcing the trends of compliance and forced alignment rather than those which it purports to further. such as increased ownership and autonomy.

What needs to be done differently?

Mechanistic applications of the PD are risky. Countries differ in terms of state-civil society relations thus one model will not fit all. The principles of aid effectiveness will not be achieved without deeper context specification. In Northern and Southern Europe more attention to context would recognise the risks of alignment of civil society with state priorities. Only in this way can the autonomy and distance that civil society enjoys from government be preserved. More contextualised implementation would acknowledge more fully the work of the third sector as a development actor, whilst recognising the need to strengthen its capacity where civil society is weak. Effective contextualisation would allow NGOs to carry out core development activities first and foremost, with results-based management not becoming a short-term distraction from this. It would also encourage their ability to innovate. More contextualised implementation would be aimed at breaking down existing suspicion between civil society and the state. In the context of the US, where Northern security interests have so powerfully dominated the national and international development agenda, alignment would mean fostering resonance and mutual points of accord across civil society, with issues being raised from below, rather than alignment being imbued in a language of compliance and alignment to government interests. Greater flexibility and attention to local context combined with a return to the body of historical literature that already exists relating to the achievement of social development goals across different contexts is now required. Such an approach is likely to strengthen the actual impacts of aid delivery, with administrative efficacy supporting rather than presiding over or even threatening to undermine the achievement of broader-based social development goals.

A series of reviews evaluating the implementation of the principles of the AE agenda across different countries have recently been initiated. For example, reviews are currently being undertaken by governments in the North, including Finland, Denmark, Sweden, Canada, Ireland, and the UK. Each of these incorporate cross-country evaluation processes; most have been designed with a view to feeding into the High-Level Forum Meeting on the Paris Declaration to be held in Accra in 2008.

It would appear that some of these reviews are primarily seeking endorsement of the AE agenda. These focus primarily on how far partners "are fulfilling their commitments as stipulated in the PD", emphasising evaluation of progress towards these targets and tracking changes in behaviour amongst the PD signatories. Such reviews look predominantly at case studies where implementation of the AE agenda has worked. At the same time it appears that other reviews are focusing on the practical lessons

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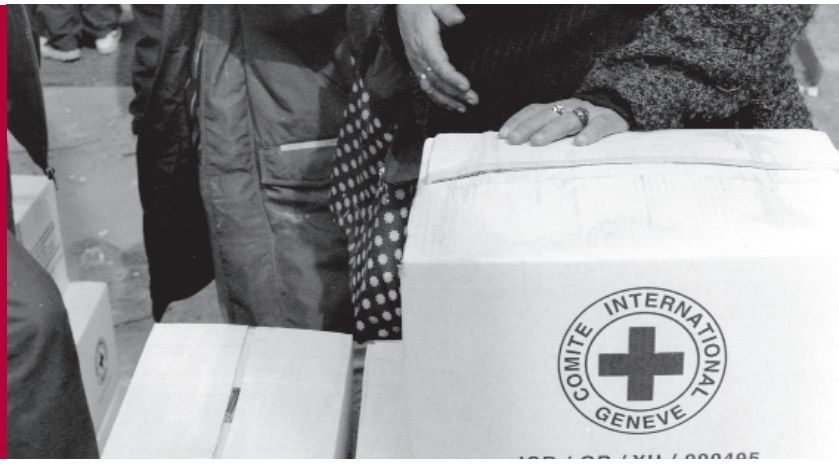
The principles of aid effectiveness will not be achieved without deeper context specification.

The evidence suggests that in some cases conducting these reviews is prompting governments to start to question some of the underlying assumptions behind the PD.



that can be learnt about implementation across diverse country settings. The evidence suggests that in some cases conducting these reviews is prompting governments to start to question some of the underlying assumptions behind the PD.

As the implementation process proceeds, with reviews relating inputs provided by donors and partners to expected outcomes in terms of broader development goals, questions are emerging as to how far the evidence suggests that implementation of the PD principles actually lead to increased aid effectiveness. Other questions prompted by the reviews include how far commitment to the principles of aid effectiveness enshrined in the PD correlate with achievement of broader poverty alleviation goals as stipulated, for example, in the MDGs. Thus, beyond mere endorsement, some of these reviews encourage reflection and learning about the possible pitfalls of mechanistic applications of this agenda.

There are some early indications that the results of these reviews is leading to a realisation that one size does not fit all. Learning about the pitfalls of results based management of development can improve development outcomes premised on good governance, inclusion of rights and enhanced ongoing dialogue between civil society and the state. Some governments such as Sweden have called for greater efforts to bring civil society into sustained and ongoing dialogue. This important shift suggests broader recognition of the role of civil society which has hitherto been neglected by the PD.[2] The swell from civil society itself has also lead to consultation processes between Northern civil society to discuss the implications of the AE agenda. Opportunities for consultation include a recent meeting for Northern civil society to discuss issues and challenges raised by the PD co-ordinated by CONCORD, the European NGO Confederation for Relief and Development in Brussels in October 2007, with facilitation of one phase of this provided by INTRAC.

Some of these consultations have centred on implementation of the PD within the NGO sector. These have lead to discussions on how few donors, including international NGO (INGO) donors, are taking steps to harmonise their administrative, accounting and reporting procedures and, in particular, attempts to harmonise the workings of Northern civil society. Whilst such lines of questioning fit to some degree with the orthodoxies surrounding the AE agenda, these meetings have also lead to questions surrounding the challenges posed to civil society of implementing the principles of the PD; prompting learning that the linkages between aid effectiveness and development outcomes in the domain of, for example, poverty alleviation remain uncertain. In summary, there are signs that reviews incorporating detailed analysis of concrete experiences of implementing the PD in different countries are encouraging leaning about the differentiated impacts of implementing the Paris Declaration across diverse country settings. Some governments in commissioning these reviews appear to becoming mindful of both the importance of being more inclusive of civil society whilst also recognising the perils of a 'one size fits all' approach.

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2 "The Paris Agenda largely overlooks the non-governmental sector and yet non-profit and for-profit private organisations play a vital role in the development process, particularly in the health sector where the private sector often provides a large proportion of health services, and a significant amount of donor money is channelled through NGOs, especially by GHPs." (CORDAID, 2007).

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INTRAC, the International NGO Training and Research Centre, publishes briefing papers on policy developments that affect the work of civil society organisations worldwide. The current briefing papers, funded by Swedish development agency Sida, deal with two main topics from a civil society perspective: the securitisation of development and the 'War on Terror', and the Paris Declaration and aid effectiveness agenda.

Over 2006/07, INTRAC ran a series of workshops on the role of counter-terrorism measures in international development. These were held in Central Asia, the Middle East, Europe, South Asia, North America, and among the Somali diaspora in Europe. Many of the issues we discuss in these briefing papers were first raised by our workshop partners and participants.

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INTRAC
International NGO Training and Research Centre

INTRAC • PO Box 563 • Oxford
OX2 6RZ • United Kingdom

Tel: +44 (0) 1865 201851 • Fax: +44 (0) 1865 201852
Email: info@intrac.org • Website: www.intrac.org