

International Development Frameworks, Policies, Priorities and Implications

A Basic Guide for NGOs

Alan Fowler



Canada

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INTRODUCTION

Many conditions influencing NGO work are set by the system of international aid and development. Consequently, if NGOs are to be effective in being what they want to be and doing what they want to do, they must be familiar with aid frameworks, policies and priorities. This requirement applies from leaders to frontline staff.

Participants at a civil society workshop in Ethiopia—organised by the Horn of Africa Capacity Building Programme, a Canadian bilateral initiative financed by CIDA and managed by Oxfam Canada and Quebec—found that they needed to know more about what is driving international aid. They observed a similar need with many other organisations they know. As a result, a suggestion was made to produce a publication that draws together information about what is driving and guiding international aid. This booklet, commissioned by Oxfam and funded by CIDA, is a response to this suggestion.

The following pages provide basic information about key features of international aid and development today. The focus is on major ideas, policy frameworks and their application that are important for all NGOs to understand. To make the publication as accessible as possible, it does not aim to be academic, technical or totally comprehensive. For example, international initiatives on Racism, Gender, Microfinance, Social Development or Water are not included. Each section first summarises the major elements of current international thinking and official agreements and then looks at probable implications. However, because NGOs and country settings are very diverse, it is not possible to be specific about how environmental conditions will impact on any one (type of) organisation. Only broad outlines of implications can be given. Each NGO will need to look in detail at what is being described to work out for themselves what is significant and how they can best respond.

In sum, this booklet is intended be a short, straightforward guide to the 'big picture' of the NGO environment, supported by references to sources of more detailed information. While written for NGOs in general, specific conditions in Africa are included.

It is divided into three parts. The first contains information about the major policy frameworks that guide international development and aid. The second concentrates more on how these and other policies are being applied in international practice. The third section focuses on two frameworks specific to Africa.

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PART



The Global Framework for Development

THREE RECENT GLOBAL CONFERENCES have produced resolutions, agreements and commitments that create an overarching resource and policy framework for international development and aid. The Monterrey conference in 2002 was dedicated to the question: “How can development be financed?” The Doha Ministerial meeting of the World Trade Organisation in 2001 was intended to strengthen the development role of opening up global trade. The Johannesburg Summit on Sustainable Development in 2002 focussed on how to align and apply economic and social development with environmental protection for the benefit of all the world’s peoples, but especially the poor. Alongside these, in 1999, the United Nations formed a Global Compact with business leaders to advance the contribution of corporations to development action. Together, these gatherings define a set of official ideas, processes and commitments shaping the overall context for NGO work.

The Monterrey Conference

The conference brought together governments, civil society organisations, the business community and institutional stakeholders on global economic issues—World Bank, IMF, bilateral agencies, etc. Their task was to determine and agree how the financial resources required for international development could be raised, particularly in relation to achieving the Millennium Development Goals (MDGs) (see Part II). The discussion focused on increasing donor allocations to development budgets and less on reducing the debt of developing countries.

Various pledges to increase aid were made by the two major donors—the United States and the European Union (EU). EU countries committed themselves to an additional US\$7 billion and a path to reach 0.39 percent of GDP as its aid contribution, still with a long-term goal of attaining 0.7 percent that was agreed many years ago. This was ‘matched’ by a US announcement to increase its level of aid by fifty

percent, starting with US\$5 billion per year for the next 3 years. In theory, therefore, more development finance will be available. In practice, however, things may not work out this way for countries with greatest poverty.

The US committed to provide additional resources through a new Millennium Challenge Account. The US ‘challenge’ is for developing countries to adopt pro-market, open-trade policies and take practical steps to improve their governance. However, these conditions may be weakened by prioritising more aid to countries that co-operate against terrorism, irrespective of their economic policies or good government. There are also worries that additional aid will be used to gain US and EU leverage on governments in other areas as well, particularly in trade (see below).

Further, the conference Consensus Paper ignored critical financing issues, such as volatile capital flows and poor regulation of the international financial system that have deep effects on a country’s financial position and maintenance of their own development budgets. There was also little agreement on how much ‘new’ money was required—estimates varied between US\$ 50 and 100 billion.

From an NGO perspective, the way that commitments to increase aid will play out will depend a lot on the country in which they operate. Where a government stands in terms of reinforced donor conditions on policy, governance and terrorism will probably determine if they access greater aid flows or not. In turn, relations between governments and NGOs will influence what additional funding means for NGOs themselves, for example in helping with aid absorption, and what new opportunities exist for them to advocate for reforms that reflect or critique the Monterrey outcomes. The positions NGOs take on aid conditions are full of potential difficulties and will therefore require careful thought. Overall, it is unlikely that an increase in aid can be

expected quickly or be rapidly felt on the ground, or that it will be entirely directed at countries with the greatest levels of poverty.

Sources of (more) information:

- 1) Financing for Development Office, UN, New York.
<www.un.org/esa/ffd>, <ffd2003@un.org>.
- 2) Bretton Woods Project, England.
<www.brettonwoodsproject.org>, <info@brettonwoodsproject.org>.

The Doha Meeting on Trade and Development

The World Trade Organisation (WTO) is the global body established to regulate trade relationships and mediate in trade disputes. Its decisions on trade regulations must be reached by consensus, not by majority voting. The WTO has adjudication and enforcement mechanisms. The Doha Ministerial meeting was intended to be a ‘development round’ that would pay explicit attention to the concerns and needs of developing countries. Why? Because it is generally accepted that appropriate reform in trade conditions that unfairly favour the North will generate far more income for developing countries than aid.

For developing countries, the key demand was for Special and Differential Treatment (S&D) enabling them to selectively retain agricultural and food subsidies and protection of nascent industries to enable competition on an, eventually, level playing field. S&D would, for example, keep open political space for governments to pursue policies that speed poverty reduction and aid social stability during transitions. From their side, developed countries wanted to expand the WTO negotiation agenda to include “new issues” of competition policy, foreign investment and ownership, transparency in government procurement and trade facilitation by reduction of red tape for imports and exports. The overall result was marginal gain on small issues, with deadlock and postponement on the large ones. The WTO meeting

held in Cancun in September 2003 will be the sight of continued negotiation where agricultural subsidies will again be a major sticking point.

One slogan 'Trade not Aid' at the preceding WTO meeting in Seattle Meeting reflected a view of engaged NGOs that fair trade is a structural solution to underdevelopment and that aid deflects attention for the key issues to be addressed in reducing poverty and inequity—an unfair integration of world economy driven and controlled by the interests of more powerful countries. The continuation of agricultural (export) subsidies in the North is the most blatant example of "do as I say not as I do".

Through many routes, what happens at the WTO will inevitably have an impact on the dynamics of poverty that NGOs deal with. Implementation of WTO agreements will create economic winners and losers everywhere, but especially in the South. NGOs need to understand and assess the impact of trade reforms on different groups in the country and the way that the scope for public policy making by governments is being changed by WTO rules.

Often, NGOs and southern governments will find themselves standing together in countering the way trade rules can be used to continue unfair economic relationships. In some cases, this means helping to build government capacity for trade negotiations. In others, it means ensuring that the possible impact of trade rules on the poorest is at the forefront of government minds and arguments. Simply put, there is no escape for NGOs to be aware of what is happening in international trade reform. Its effects will surely be seen on the ground and in national policy making.

Sources of (more) information:

1) *NGLS Roundup No. 97.*

<www.unsystem.org/ngls>, <www.globalissues.org/TradeRelated/Doha>

- 2) *UN Trade and Development Report 2002*. <www.unctad.org>, <www.futureharvest.org>, <www.ifpri.org/media/trade20030826.htm>, <www.markettradefair.com>.

The Johannesburg Summit on Sustainable Development (JSSD)

This summit focused global attention on ends, rather than means. What must development finance through aid and trade achieve and for whom? The meeting was meant to both assess progress since the 1992 meeting in Rio de Janeiro and agree on an updated plan of implementation (POI) to guide future financing, partnerships and development priorities.

To help facilitate discussion and negotiation, the UN launched a WEHAB initiative focussing on five thematic areas: water, energy, health, agricultural productivity and biodiversity. In addition to official speeches and statements, partnership plenaries were convened around each theme to identify challenges in implementation and arrive at agreements on collaborative action between different stakeholders—governments, experts, UN agencies and representatives of major involved groups. The 220 partnerships arrived at are voluntary.

The final POI contains major sections detailing government commitments, although there is no method to enforce compliance with what has been agreed. Sections cover:

- ▶ Poverty Reduction (linked to the MDGs);
- ▶ Health;
- ▶ Energy in relation to consumption and production;
- ▶ Protecting and Managing Natural Resources;
- ▶ Biodiversity;
- ▶ Oceans and Fisheries;

- ▶ Atmosphere and Climate Change; and
- ▶ Rio Principles.

Necessary links between JSSD agreements to globalisation, trade, corporate accountability and the needed institutional framework for overseeing and guiding implementation are included in the POI, but are encouraging rather than binding. The UN Commission for Sustainable Development (CSD) is charged with follow-up and monitoring.

Civil society organisations (CSOs), including NGOs, organised many parallel events and protests. While NGOs can find a lot to work with in the POI, there was much disappointment and doubt about the political will to follow through—implementing the Rio agreements was not an encouraging example. Consequently, participating CSOs produced their own declaration and Programme of Action. This tied sustainable development more closely to issues of trade, increasing global inequality and insecurity as well as including other issues, such as the moral obligation of corporations and governments to repay for past exploitation of developing countries, local control over biological resources and debt cancellation.

For NGOs, probably the most useful outcomes of this conference, and others like it, are the texts and commitments signed up to by governments and the UN system. They can be used as instruments of reminder, pressure and advocacy. The range of topics covered by the JSSD Declaration and Plan of Implementation offer many points of entry for dialogue and advocacy with governments and donors on a wide array of NGO concerns. Knowledge of JSSD agreements is a useful starting point for policy engagement, for revising strategies and for improving NGOs' technical capabilities.

Sources of (more) information:

- 1) *NGLS Roundup*, nos. 96 & 101. <npls@unctad.org>, <www.johannesburgsummit.org>, <www.globalsummit.org.za>, <info@globalsummit.org.za>.

The Global Compact

The Global Compact is the UN's contribution to concerns about corporate social responsibility (CSR). It emphasises a voluntary compliance and learning approach, rather than international regulation. The Compact has nine principles that draw on existing international laws, conventions and standards. The principles are:

- ▶ Businesses should support and respect the protection of internationally proclaimed human rights within their spheres of influence;
- ▶ Make sure they are not complicit in human rights abuses;
- ▶ Businesses should hold up the freedom of association and the effective recognition of the right of collective bargaining;
- ▶ The elimination of all forms of forced or compulsory labour;
- ▶ The effective abolition of child labour;
- ▶ Eliminate discrimination in respect of employment and occupation;
- ▶ Businesses should support a precautionary approach to environmental challenges;
- ▶ Undertake initiatives to promote greater environmental responsibility;
- ▶ Encourage the development and diffusion of environmentally friendly technologies.

To some extent, this initiative can be seen as a way of trying to complement the increasing international rights corporations are gaining through WTO reforms with a recognised set of global responsibilities that go far beyond traditions of philanthropy and business ethics. In other words, it is an attempt to plug a gap in the social dimensions of global governance that has no institutional equivalent to the WTO in terms of enforcement.

To comply with the Compact, companies must make three commitments:

- ▶ Advocate the Compact in mission, annual reports and public information, as well as internally;
- ▶ At least once a year, post on the Compact website details of concrete steps taken on any of the nine principles;
- ▶ Join the UN in partnership projects of benefit to developing countries.

Many NGOs are critical of the voluntary nature of the Compact and the image of corporations 'bluewashing' by draping themselves in the credibility of UN flag without changing their behaviour. The question is whether corporations are joining the initiative to prevent future coercion through new regulations on global corporate governance, or are they really committed to a new way of doing business where people and the planet matter alongside, if not on par with, investors?

In addition, it remains to be seen if the role model of corporate responsibility shown by transnational businesses will have any effect on the far larger number of small and local businesses across the world that employ the majority of wage earners. Put another way, can NGOs draw on the Compact in dealings with local businesses and their responsibilities? As yet we do not know. But it is a path worth exploring.

Corporations that join the Compact open themselves up to civic scrutiny against a set of standards that many NGOs would endorse. As with the JSSD, the Compact provides a lot of points for engagement. However, the constituencies of many NGOs are not formally employed and simply struggle to survive. So what good is the Compact for them? One answer is that economic globalisation is making international business supply chains both deeper and wider in outreach. Consequently, there is an increasing probability that what poor

people can or cannot produce and sell or buy will end up—often through local but foreign owned companies or contracts—within the control and responsibilities of international corporations. In this evolving picture, it will pay for NGOs to investigate and understand all the linkages between local livelihoods and international business operations to see if the Compact and its principles can be applied.

Sources of (more) information:
<www.unglobalcompact.org>.

Observations

Two factors stand out in terms of these conferences and initiatives and what they produce. First, the processes involved typically suffer from power differences between governments. By and large, the developed world dominates and uses divide and rule tactics—as well as promises of aid—to weaken the position of developing countries. Second, the necessary linkages between sets of conference agreements and policies are too often left to one side—in part so that inconsistencies between them, or the leverage of aid financing on other negotiations, are kept hidden.

Further, there are significant differences within the NGO community on whether or not to engage with the (pre-) conference processes and, if so, how. As a result, NGOs need to be clear about their position on the issues under discussion and who to collaborate with, particularly in terms of joining North–South efforts to influence what is eventually agreed.

PART



Putting Frameworks Into Practice

CONTEXTUAL CONDITIONS FOR NGOs are also set by the way in which frameworks agreements and initiatives described above are translated into practice. This is a more common way for NGOs to experience first hand what the official aid system understands as its development tasks and the best way of achieving them. This section describes six major areas of objectives, priorities and preferred methods that influence how the aid system works and can relate to NGOs.

The Millennium Development Goals (MDGs)

It could be argued that what is described next can better be seen as a framework and placed in the previous section. I have decided not to do so in order to emphasize the practical, operational, direction-giving importance of the MDGs.

Frequently, a link is made between development frameworks and a specific set of targets to be achieved. These targets are the Millennium Development Goals. They have this name because of their adoption by governments at the UN General Assembly meeting in 2000. The importance of these goals for the official aid system's behaviour cannot be underestimated. The MDGs guide or in some way influence almost everything the aid system currently does. Explaining why this is the case is beyond the purpose of this booklet. Suffice it to say that any NGO that does not know about and understand the MDGs is putting itself at a serious disadvantage. Because of their importance for NGOs, this section goes into a bit more detail than in other sections.

Eight goals are used to direct aid activity with an overall aim of poverty reduction within specific time frames. Extreme poverty is defined as an income of less than one US dollar per day. Each goal has a number of, mainly, 'hard' targets to measure progress and achievement.

The goals are:

GOAL 1—Eradicate extreme poverty and hunger

▶ **Target 1**

Halve, between 1990 and 2015, the proportion of people whose income is less than US\$1 a day.

▶ **Target 2**

Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

GOAL 2—Achieve universal primary education

▶ **Target 3**

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

GOAL 3—Promote gender equality and empower women

▶ **Target 4**

Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education by 2015.

GOAL 4—Reduce child mortality

▶ **Target 5**

Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.

GOAL 5—Improve maternal health

▶ **Target 6**

Reduce by three quarters, between 1990 and 2015, the maternity mortality ratio.

GOAL 6—Combat HIV/AIDS, malaria and other diseases

▶ Target 7

Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

▶ Target 8

Have halted by 2015 and begun to reverse the spread of malaria and other major diseases.

GOAL 7—Ensure environmental sustainability

▶ Target 9

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

▶ Target 10

Halve by 2015 the proportion of people without sustainable access to safe drinking water.

▶ Target 11

By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8—Develop a global partnership for development

▶ Target 12

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development and poverty reduction—both nationally and internationally.

- ▶ **Target 13**
Address the special needs of least developed countries.
Includes:
 - tariff and quota free access for least developed countries exports;
 - enhanced programme of debt relief for Highly Indebted Poor Countries (HIPCs) and cancellation of official bilateral debt;
 - more generous ODA for countries committed to poverty reduction.

- ▶ **Target 14**
Address the special needs of landlocked countries and small island states.

- ▶ **Target 15**
Deal comprehensively with debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.

- ▶ **Target 16**
In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

- ▶ **Target 17**
In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

- ▶ **Target 18**
In cooperation with the private sector, make available the benefits of new technologies, especially information and communication.

The primary responsibility for ‘owning’ and achieving goals and targets rests with governments of developing countries. The aid system’s role

is to support countries in this task. A reporting system tracks each country's progress towards many of these goals, but how the targets in Goal 8 are to be tracked and measured is less clear. It is also less clear who is responsible for achieving them and through which mechanisms beyond specialist conferences, for example on water and HIV/AIDS. Further, the MDGs are an important driver for reforms in the aid system that will be explained in subsequent sections of Part II.

As can be seen, the goals are comprehensive and specific. They probably reflect much of what NGOs are already trying to do. Even if this is not the case for some, the MDGs have important implications for all NGOs. First, they increasingly determine the investment preferences and policies of governments and donor agencies. In other words, MDGs define what priorities governments must adopt if they wish to access (greater) development funding and indicate where aid flows will probably be directed. Second, any NGO seeking financial support from the official aid system will need to explain how it will contribute to achieving the MDGs. Third, they create conditions and incentives for governments to increase their capacity to deliver themselves or in partnerships with NGOs and the private sector. A further implication for NGOs, therefore, is to demonstrate competence in MDG relevant areas. In addition, the fact that governments have signed up for the MDGs gives NGOs yet another point for advocacy and for dialogue with governments and donors.

Despite the value of having clear targets, the MDGs have a number of drawbacks. One is the narrow understanding of poverty as an economic measure—a dollar a day. There are many other dimensions to poverty, particularly (engendered) powerlessness, that are lost from sight. Another is the practical realism of these goals, especially as the funding required to attain them seems not to be forthcoming. The Monterrey conference did not commit the funds calculated to be needed. Thirdly, it is far from certain that governments of developing countries are really serious about taking on all the implications of what

the goals mean. Voting for them does not mean that there is real political will. Finally, direct civil society input into the formulation of these goals was weak to non-existent. Nevertheless, MDGs provide the hub or axle around which much of the aid system now revolves. To be effective, NGOs must have a thorough understanding of them.

Sources of (more) information:

- 1) *NGLS Roundup*, No. 98, November 2002. <ngsl@untad.org>.
- 2) *@lliance*, Vol. 8, No. 1, March 2003, pp. 36–39. <alliance@allivida.org>, <www.allivida.org>.
- 3) *Civil Society Watch*, May/June 2003. <info@civicus.org>, <www.civicus.org>, <www.oecd.org>, <www.developmentgateway.org/mdg>.

Poverty Reduction Strategies Papers (PRSPs)

In 1999, the annual meeting of World Bank Governors adopted an agreement to change the way in which its contribution to poverty reduction would be realised. Their decision was that both the Bank's and the IMF's lending to reduce poverty would be based in strategies devised and defined by borrowing countries themselves. The product of their effort should be a Poverty Strategy Reduction Paper (PRSP). Prior to this requirement, the Bank had relied on Country Strategy Papers (CSPs) drafted by its staff.

Country conditions differ. Consequently, country PRSPs would not be the same. But five core principles were adopted to ensure that the process and content of a PRSP would cover the same terrain. The principles are:

- ▶ **Country-driven:** the process must stem from the country itself and involve broad-based participation of civil society and private sector in all major steps;

- ▶ **Results-oriented:** there must be a focus on outcomes that benefit the poor;
- ▶ **Comprehensiveness:** poverty must be recognised as multidimensional in its causes and expressions;
- ▶ **Partnership-oriented:** the strategy should reflect coordinated participation of different development partners—the government, bi and multilateral agencies, and nongovernmental actors;
- ▶ **Long-term:** the strategy should adopt a long-term perspective.

The resulting PRSP should contain a number of details. For example, it should include: an explanation of the participation process; a comprehensive diagnosis of poverty; clear and costed priorities for macroeconomic, structural and social policies; and appropriate indicators and systems for monitoring and evaluating progress. Borrowers submit their PRSP to the Bank/IMF where it undergoes a joint staff review. The PRSP and review documents then go for approval. Without approval of World Bank and IMF boards, no concessionary finance or debt reduction can be provided. The high number of African countries eligible for debt relief makes PRSPs particularly significant on the continent.

Moreover, many other donors are adopting a country PRSP as the basis for coordination and for allocating their aid. As a result, a PRSP is a very significant document for determining the national context for NGO work.

An important factor driving the introduction of PRSPs was a concern that an agreed comprehensive financial framework would have to be in place to ensure that funds made available through debt relief were not used for objectives other than poverty reduction. In other words, that budget commitments for social and other development tasks would get adequate priority and internal funding that could be tracked.

From an NGO perspective, principles, content requirements and PRSP processes offer both problems and opportunities. In terms of problems, existing experience shows that a PRSP may be government-led, but that does not necessarily mean government owned. For example, governments may avoid detailing what they really want to do in favour of specifying what they think the Bank will approve. Further, the degree to which a PRSP is *country, rather than government, owned* will depend on the extent of real participation across society as a whole. And here lies one of the opportunities for NGOs to gain influence on structural approaches to conditions affecting poverty, beyond individual projects. The issue in doing so becomes one of the capacities of NGOs—individually and collectively—to engage in processes that lead to a deep understanding of poverty causes and their remedies, not just symptoms.

To take part in PRSP formulation, NGOs must also be capable of negotiating the rules of the game that govern their involvement. They must avoid tokenism and ritualistic participation that has no real effect on decisions. This leads to tricky areas of relations between NGOs and the government that are obligated to engage with them.

An additional feature of PRSPs aims for civil society organisations to act as watchdogs in terms of monitoring to see if the amounts committed in national budgets are actually spent as intended. Again, this can lead to awkward relationships with governments and politicians.

In sum, PRSPs cannot be ignored. But they cannot be taken at face value in terms of NGO participation and the capabilities required to make full use of opportunities to really influence poverty reduction in a country. Here, collaboration between NGOs will be vital.

Sources of (more) information:

<www.worldbank.org/poverty/strategies>, <info@brettonwoodsproject.org>.

Sector Wide Approaches (SWAs)

A Sector Wide Approach to development aims to bring together all significant internal and external financing for a sector—education, health, water and sanitation, rural development, transport infrastructure, etc.—under a single government-led policy, expenditure framework and programme of action. Donors agree to commit their funds in support of a government budget allocation and to rely on government systems of disbursement, reporting and accounting. SWAs are intended to fit into the ‘new architecture of aid’ that is based on PRSPs and Medium Term Expenditure Frameworks (MTEF) that guide government budgeting.

The SWAp was introduced as a remedy for many problems of donor project-based financing. Typical limitations of the project approach were:

- ▶ Inadequate local ownership;
- ▶ Overloading of local capacity to coordinate donor relationships;
- ▶ Lack of sustainability and institutional development, etc.

The new approach is also intended to reinforce growing attention to citizenship, good governance and partnership. This is to be achieved by SWAs:

- 1) Drawing on the perspectives of a wide range of actors within a country;
- 2) By devolving responsibility and funds for implementation to lower levels of government;
- 3) By enhancing the role of people in terms of requiring accountability;
- 4) Through the application of agreed indicators of performance, including those of citizens themselves, for example through client satisfaction measures.

For NGOs, the introduction of SWAps has a number of potentially very important consequences. First, in terms of accessing aid resources, where governments are not too corrupt, undemocratic or incapable, NGO channels will increasingly be towards ministries and local government structures and away from donors directly. In other words, there will be less and less likelihood of donors funding 'parallel' NGO infrastructures for delivery of social services, such as education and health. Maintaining such NGO delivery infrastructures and services will increasingly depend on negotiating/contracting within government agencies, budgets and processes.

Second, SWAps are intended to reinforce decentralisation of government functions and client-led, demand-based development. The significance for NGOs is to enhance the capabilities of clients as rights-holders (see below) with legitimate claims on government services and performance.

Together, the two consequences sketched above have significance in terms of NGO autonomy and role in society that need to be fully appreciated and strategically dealt with.

Sources of (more) information:

- 1) The Status of Sector Wide Approaches, Overseas Development Institute, London. <info@odi.org.uk>.
- 2) Euforic webliography on sectoral approaches. <www.euforic.org/resource/en/doss/swaps>, <info@euforic.org>.

Results-Based Management (RBM)

A natural product of the MDGs, PRSPs and SWApS is greater attention to measuring development performance in terms of outcomes and impacts rather than inputs, activities or outputs. In other words, using PRSPs and SWApS to track MDGs and other results instead of monitoring effort using disbursement and expenditure against plans as proxies for achievement.

RBM has two major functions. First, to make public bodies more accountable for the use of their funds. Second to promote efficiency and effectiveness by learning lessons that are fed back into policies, strategies and plans. Success in RBM fulfilling both functions relies on a number of factors being in place. One is a political demand for performance accountability. Another is the capacity to monitor and evaluate development indicators alongside what is provided by statutory financial audits. In many developing countries these preconditions are not in place, are weak or evolving only slowly.

Nevertheless, the implications for NGOs are reasonably clear. First, whether or not the aid system requires it, for their own effectiveness, efficiency and learning for improvement, NGOs must move to management by achievement rather than by effort. It is a moral obligation to the constituencies they serve, irrespective of what the aid system demands. However, this is not as easy as it sounds. If it were, NGOs would be doing it already. A key problem is to combine diverse measures of performance used by constituents with measures derived from the organisation's mission and strategies—in other words marrying bottom-up with top-down measures of achievement.

Despite this and other difficulties, NGOs must be able to assess their performance for themselves and for fulfilling (MDG related) requirements coming from the aid system, typically through plans based on

logical frameworks. An ability and capacity to undertake results-oriented planning, implementing, monitoring and evaluation will be a normal expectation placed on NGOs from across the official aid system.

Sources of (more) information:

- 1) *ODI Briefing Paper*, April 2003. <info@odi.org.uk>.
- 2) Alan Fowler, 1997, *Striking a Balance*, Chapter 7, Earthscan, London.
- 3) UNDP, 2000. *Introduction to Results-Based Management—RBM in UNDP: Overview and General Principles*. <www.undp.org>.
- 4) OECD Development Assistance Committee, Evaluation Working Group. <www.oecd.org/dac/indicators>.

Good Governance (GG)

An important concept driving international aid is good governance. For multilateral agencies, like the World Bank, governance is limited to the control over and behaviour of the public administration. Bilateral agencies are more inclined to add political processes in their understanding of what the concept means and what has to be done to achieve it, for example in voter education, election monitoring, etc. Whether explicit or not, the core of governance is the acquisition and application of political authority to the management of public affairs.

Good governance is concerned about adequate citizen's participation in producing political authority and public accountability for the use of that authority to control public space and resources. Today's promotion of good governance is a critical part of the development agenda because it reflects the lesson that without it aid resources are often wasted and can even leave people worse off than before, for example with unsustainable burdens of debt.

Good governance, therefore, is directed at improving the institutions and systems through which people give a mandate to political power holders and the performance of the public institutions that are used to translate that power back into what people say is the development they want and are prepared to pay taxes for, which includes paying off the public debt.

Obviously, good governance is far more complicated than presented here. All societies evolve in ways that determine what political processes become accepted as fair and legitimate. The aid system is convinced that multi-party parliamentary democracy is the preferred option and propagates this method in its way of approaching good governance. However, people and governments in developing countries have their own views on and reactions to this external 'truth' and the diplomatic pressure and aid conditions that go with it, which is often experienced as an erosion of sovereignty.

Understandably, therefore, NGO involvement with good governance is not necessarily straightforward. This is because the aid system expects and funds NGOs and civil society more broadly to play certain roles in a good governance agenda. For example, it is hoped that NGOs will be instrumental in improving how politics works in terms of the interests, ideas and information that are part of public debate. They should also help increase the standards that people demand of those who stand for election and help ensure fulfilment of civic and constitutional rights in terms of participation. Further, in terms of public administration NGOs are being asked to play an active role in influencing public policy choices and gaining accountability of parliaments and public agencies for the use of public funds and for behaviour of public agencies.

The willingness and ability of NGOs to fulfil these roles cannot be assumed or expected. Each NGO must make its own judgment on what is appropriate in terms of engagement with a good governance

agenda. There is often a fine line between what is or is not ‘political’ that can be readily exploited by those with an anti-NGO position. Becoming an actor in governance reform may invite challenges to an NGO’s legitimacy and mandate. While all citizens have a right to get involved in governance, it is particularly important that, individually and collectively as a ‘sector’, NGOs pay attention to their own governance and accountability. And this requirement is not just to deal with challenges from political power holders, but also because those an NGO works for have a right to expect it. In other words, NGOs need to show transparency and downward accountability.

Sources of (more) information:

<www.worldbank.org>, <www.oecd.org>, <www.eca.org>, <www.undp.org>, <www.civicus.org>.

Rights-Based Approach (RBA) to Development

International agreements, conventions and laws on human rights can be considered part of the overarching framework that NGOs operate within. However, rights based approaches (RBA) are meant to operationalised such agreements by applying them to development work. Hence, RBA is dealt with here in its application and relevance to NGOs.

There are two sets of human rights that NGOs can draw on in the way that they tackle development tasks. One set are economic, social and cultural rights (ESCR). The other set are civic and political rights (CPR). All rights are considered to be interrelated and indivisible. Together, these sets create international standards of the rights to be enjoyed by individuals but, some would argue, at the cost of adequate consideration for the rights of groups. Nevertheless, which elements to rely on within one or both sets will obviously depend on the specific issue at hand.

However, there is an important relational principle underlying the application of rights to development work. A rights approach assumes that there is an acknowledged **duty bearer** with a **responsibility** to respect, protect and fulfil the rights of a legitimate **claimant, or rights-holder**. Often, the duty-bearer is a government and citizens are the rights-holders. But this is not always the case. For example, parents are duty-bearers to their children. In addition, rights-holders have obligations, for example to conform with the law and not to obstruct the ability of others to enjoy their rights.

Adopting a rights based approach has similarities with good governance in that it is based on the participation of claimants and the accountability of duty-bearers. Hence good governance and rights-based approaches should reinforce each other.

The most significant implication of RBA for NGOs is first, that they must change their way of thinking about development so that, second, they can understand who they are in a new way. Applying RBA means a significant change in typical NGO language from **beneficiaries** to **rights-holders** or claimants. The 'welfare' concept of a beneficiary is incompatible with RBA. Further, the language of 'unfulfilled or **denied rights**' must replace the language of '**needs**', an idea of entreaty or charity that is also incompatible with a RBA.

Another necessary change is from the idea of being a service provider or intermediary to that of being a duty bearer with moral responsibilities to claimants. This position and obligation reinforces the necessity for downward NGO accountability spoken of above. Poor or marginalized people have a legitimate claim on organisations established and legitimised by their condition. Though not enshrined as duty bearers in international law, NGOs must themselves conform to the principles involved.

In terms of the design of development initiatives, an RBA requires direct attention to causes and reasons for denial of human rights. Addressing symptoms is not enough. Consequently, in adopting RBA NGOs will often be confronted with the failings of duty bearers that lead to rights violations. They will also be confronted with issues of redistribution of power, because RBA is an essentially empowerment view of development. In adopting RBA, NGOs must be prepared and able to cope with potentially conflictual consequences.

However, a word of caution is called for. A rights based approach is in danger of becoming the new 'universal solution' to development that is uncritically adopted by NGOs. But RBA is not likely to be applicable or the most effective way of going about an NGO's work under all possible conditions for all possible objectives. It is important therefore, first, that NGOs do not simply take on a RBA rhetoric without knowing how to apply it in practice. Second, that each situation is assessed on its merits in terms of whether RBA is the best approach.

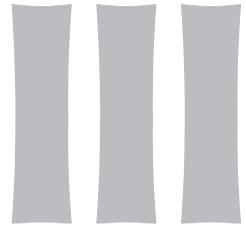
Sources of (more) information:

- 1) *ODI Briefing Papers*, September 1999 and November 2001. <www.odi.org.uk>.
- 2) *IDS Policy Briefing*, Issue 17, May 2003. <www.ids.ac.uk>.
- 3) *NGLS Roundup*, November 1988. <www.unsystem.org/ngls>.

Observations

Just as with the content of Part I, the aid policy and practices described in Part II are all meant to relate to and reinforce each other. Looked at this way, it is difficult to see how it will be possible for NGOs to deal with some implications and not others. In other words, NGOs can best look at all these environmental conditions and expectations in comprehensive way. Typically, this is systematically done as part of strategic planning exercises. But, given the complexity of what is going on, it may be better to start from below, so to speak, by trying to identify how these 'big picture' factors appear as light and shade, bumps and hollows on the human and institutional landscape that NGOs are dealing with. Of particular importance will be to see where and how these policies affect governments in their dealings with citizens in general and poor people in particular. From these specific conditions, NGOs should be in a better position to decide about their own positioning in society in terms of identity, role and action.

PART



African Conditions

EACH AREA OF THE WORLD has distinct features that contribute to the environment of aid and development that NGOs experience. In the case of Africa, there are two areas of policy that are influencing how aid is located within a bigger picture of the continent's development as well defining the development path itself. The two Africa-specific features are the New Partnership for African Development and the Africa Growth and Opportunities Act, passed by the US government. NGOs working in or for Africa need to be conversant with them both.

New Partnership for African Development (NEPAD)

The New Partnership for African Development (NEPAD) is a pan-African statement about the strategy that the continent should adopt to address its development problems and defines the role that external resources can play in the process. NEPAD brings together and integrates a number of major ideas and proposals for Africa's development strategy. NEPAD has gained the formal endorsement of African Heads of State and is, in effect, the development statement of the new African Union (AU). For many official aid agencies, NEPAD is effectively, the 'only game in town' in terms of a development model and approach, in part because it is 'home grown' and politically endorsed at the highest level possible.

The NEPAD declaration covers six main development areas:

- ▶ Political Governance;
- ▶ Economic Governance;
- ▶ Market Access;
- ▶ Infrastructure;
- ▶ Human Development;
- ▶ Capital Flows;
- ▶ Environment.

While being home grown, NEPAD contains many principles, priorities and economic assumptions that would be advocated by institutions like the World Bank and IMF. The very crude ‘deal’ between the proponents of NEPAD and the G8 group of donor countries is that Africa will sort out its weak and often corrupt governance to become fully responsible for its own development and security. In return, donor countries will—through WTO processes—reform their domestic policies to give Africa more leeway in international trade, promote foreign direct investment on the continent and increase aid flows to support NEPAD’s programmes and progress.

Where NEPAD makes a significant advance is less in the economics and more in the politics and processes that have been agreed to—on paper at least. Most far-reaching is a system of country by country Peer Reviews to look at, principally economic, but also political governance in terms of human rights, participation and so on. However, to some extent, there is now a ‘who goes first’ game. Donors are waiting to see if the commitments made by Heads of State mean anything in practice. Meanwhile African countries wait for donors to change their policies and increase aid.

Of particular relevance to the people NGOs work with and for is NEPAD’s Comprehensive African Agriculture Development Programme (CAADP). CAADP is made up of four pillars:

▶ **PILLAR 1**

Extending the area under sustainable land management and reliable water controls systems.

▶ **PILLAR 2**

Improving rural infrastructure and market access.

▶ **PILLAR 3**

Increasing food supply and reducing hunger.

▶ **PILLAR 4**

Agricultural research, technology dissemination and adoption.

The CAADP Action Plan is essentially a road map for implementation. It includes flagship projects and programmes around the four pillars with a common purpose of kick-starting agricultural development and addressing the hunger crisis on the continent.

Gatherings of academics, civil society organisations, such as Trade Unions, NGOs and social movements, have offered both supportive and critical views of NEPAD's contents and processes. Supportive voices hope that NEPAD will be the locally owned framework through which the continent's many difficulties can be comprehensively understood and systematically addressed. Critics wonder if the political commitment required from African governments to share some sovereignty and peer oversight for the common good is actually present. Others are critical of the lack of civic participation in formulating NEPAD and the neglect of gender dimensions. Yet others question the economic ideology underpinning NEPAD if it is meant to reduce poverty as well as accelerate growth.

NEPAD is a long-term strategic set of decisions. NGO familiarity with all NEPAD's initiatives and their government's involvement with them—or not as the case may be—will be a must in the years to come.

Sources of (more) information:

- 1) <www.nepad.org>.
- 2) *Africa Recovery*, Vol. 16, No. 4, February, 2003. <africa_recovery@un.org>.
- 3) <www.iss.co.za> (see Papers No. 64, 66 and 74)

African Growth and Opportunities Act (AGOA)

The African Growth and Opportunities Act was passed by the US Congress in 2002. It is a time-bound window for thirty-four qualifying African countries to gain Generalised System of Preferences status until September 2008. This will allow them to benefit from reduced US import tariffs on some 6,400 products. Increased export opportunities will, it is believed, help “move Africans from poverty to prosperity by increasing their economic opportunities”.

The ability for African countries to actually benefit from AGOA will depend on their production processes that must, for example, satisfy technical conditions of rules of origin. So far, most headway has been made in export of non-agricultural products, especially textiles, and in the case of South Africa, BMW cars produced in the country. The time-limited nature of AGOA may give rise to short-term investment in export-zone enclaves that will not be sustained after 2008. In addition, African countries that sign up to AGOA are required to reduce their own tariff structures that will open up their markets in line with WTO agreements. Overall, the ability for African countries to benefit from AGOA appears to be very variable.

It is difficult to see where and how many NGOs will be able or interested in engaging with AGOA. It is also difficult to foresee how AGOA will affect poor people on the continent. Most likely, NGOs will bump into AGOA on a case-by-case basis in terms of the people they work with. In terms of policy engagement, NGOs would do well to assess the extent to which the long-term implications of signing up for AGOA are understood by the public—and politicians—and will produce an overall benefit for a country’s development.

Sources of (more) information:

<www.agoa.org>, <info@agoa.info>.

General Sources and Useful Readings

Sources

Publications of the UN NonGovernmental Liaison Service are a highly recommended source of up to date information about UN conferences, agreements and follow up to them; <npls@unctad.org>.

The OECD Development Assistance Committee has a number of working groups and other initiatives that are of interest; <www.oecd.org/dac>.

The Overseas Development Institute in the United Kingdom produces many short and very useful Briefing Papers and Key Sheets; <info@odi.org.uk>.

Europe's Forum on International Cooperation (Euforic) offers many useful resources; <info@euforic.org>.

NEPAD Newsletter access: <mmicapetown@iafrica.com>.

Further Readings

ICHRP, 2003. *Duties sans Frontiers: Human rights and global social justice*, International Council on Human Rights Policy, Geneva.

NGLS, 2003. *United Nations System: A Guide for NGOs*, 10th Edition, NonGovernmental Liaison Service, Geneva.

Peter Anyang' Nyong'o, Aseghaddech Ghirmazion and Davinder Lamba, (eds), 2002. *NEPAD: A New Path?* Heinrich Böll Foundation, Nairobi.

Malcolm McIntosh, et al, (eds), 2003. *The United Nations Global Compact*. Greenleaf Publishing, Sheffield; <www.greenleaf-publishing.com/jcc>.