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Crumbs of comfort

Conflicts in Western priorities make the UN's much-vaunted goals harder to achieve

Alan Beattie

The race against global poverty and deprivation should by now be entering the home straight. When hundreds of ministers and aid agencies meet at the UN today, they ought to be preparing for a final five-year push to achieve the organisation's 2015 "millennium development goals" and celebrate the improvement of billions of lives across the developing world.

Instead, the gathering will see not only much of the developing world falling short on most of the targets but the aid business itself fighting for increasingly scarce public money and under pressure to deliver.

Todd Moss of the Centre for Global Development, a Washington think-tank, says: "We have been used to aid budgets rising year on year — and now they are going to tighten. Donors are saying they are only going to pay for things where they can see results."

In part, the disappointment may be because the targets chosen were arbitrary and unrealistic. But even so, aid experts and practitioners are divided on how money should be delivered. The likes of China are meanwhile rivalling rich-country donors by building infrastructure and running industries in Africa. The US\$130 billion (RM404.9 billion) a year aid industry is facing tough market conditions yet without a business plan that commands global consensus.

Over the past decade, donor governments often focused on volume rather than quality. At a series of summits, most notably at Monterrey in Mexico in 2002 and Gleneagles, Scotland, in 2005, the advanced countries signed up to a lavish set of promises to increase aid by 2010.

That phase seems to have run its course. With some countries, notably Italy and France, lagging far behind their targets, only about half of the promised increase is likely to have materialised by the end of this year. Instead of endlessly debating the need for more money, aid prac-

tioners are being asked to show what they are delivering for it.

When the Conservative-led government took office in the UK in May, for example, it decided to maintain its Labour predecessor's pledge to increase development assistance, sparing it from the chain-saw that is to lop chunks off British public spending. But the new ministers are insisting on seeing more results and have announced a sweeping transparency regime for the UK's aid budget.

As well as the pressure to show results to rich-country taxpayers, there has arisen a chorus of voices from developing countries themselves that aid is doing more harm than good. Andrew Mwenda, a Ugandan campaigner, for example argues strenuously that foreign assistance helps keep African countries dependent on hand-outs and props up what he says are dysfunctional governments like that of Yoweri Museveni, Uganda's president, which is widely accused of corruption and repression.

It is hard to argue in principle with more transparency and more accountability. But development experts warn that not only is true clarity over the destination of aid very hard to come by, but that an obsession with finding concrete results could end up with perverse effects.

One of the more constructive trends of the past decade was the consensus that spread among many donors on the best way to deliver assistance. Rather than have each country fund individual projects — bridges, schools, hospitals — with a national flag metaphorically stuck on the top to impress taxpayers back home, aid agencies instead tried to streamline bureaucracy by uniting behind national plans designed by the recipient government. Where possible they put money straight into the public purse, a process known as "budget support".

Through a series of summits hosted by the Organisation for Economic Co-operation and Development (OECD), the Paris-based institute that

plays a pivotal role in assessing aid volume and quality, donors committed themselves to trying to harmonise with each other, be transparent about where the money was going and assess what good it was doing.

But their ability to keep these promises has been less than stellar. "We saw a fair amount of activity on [measuring] aid effectiveness, and now we are seeing a bit of fatigue," says Stephen Groff at the OECD. "We are reasonably sure we are not going to see progress against the indicators we want to see."

This means that if aid fails to produce the intended results, it is hard to tell whether it is the wrong solution altogether, as Mwenda would argue, or whether it is because the aid delivered is not good enough, as development charities would say.

Important donors such as the US, the world's largest provider of aid, remain hamstrung by the need to placate domestic constituencies. According to Edward Clay, an expert in the subject, the US still "ties" over half its bilateral aid to the purchase of American goods and services — a practice universally decried by development economists.

Moreover, in a sample of aid to six developing countries, Clay found that the US used the recipient country's own financial management systems for only 16% of its aid, the lowest share for all the big donors. Donors insisting on using their own financial systems risk creating duplication and expensive bureaucracy.

The administration of President Barack Obama is aware of these criticisms and is undertaking an overall review of US assistance, but so far changes have only been on a small scale. Rajiv Shah, administrator of the US Agency for International Development, says that in a food security programme it launched this year, the US is shifting towards using recipient country systems, which means engaging with them at head-of-state level.

"We believe in order for the Feed the Future initiative to be successful,

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country ownership and leadership is an absolute requirement," he says. But it remains to be seen how far these practices can be extended.

As for transparency about where aid is going, campaigners accept that years of carefully contrived official aid announcements, frequently involving double-counting, have led to confusion. Jamie Drummond of the One campaign, which campaigns

with the rock star Bono, says: "There is a fair criticism to be made of development campaigners that we didn't talk enough about transparency and governance." Campaigners including One have devised the acronymic Track principles, demanding that all aid be Transparent, Results-oriented, Additional to existing aid, Conditional on fiscal transparency and good governance, and with a mechanism to know that the promise has been Kept.

But Karin Christiansen of the transparency campaign Publish What You Fund says the lack of detailed data means that achieving real accountability will be a struggle. "We don't even really know how transparent people are," she says. "Standards need to be set to allow comparisons. Otherwise more information will not mean better information."

While more aid is being spent than before, there has been a proliferation of agencies through which it is delivered. Some are multilateral, such as the Global Fund for Aids, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunisation. Some, such as the President's Emergency Plan for Aids

Relief set up by George W Bush, are national initiatives that run alongside — or cut across — international schemes.

Jeffrey Sachs, the Columbia University economist and UN adviser, says it would make more sense to funnel much more money through channels such as the Global Fund. It is the persistence of bilateral donor programmes rather than the growth of new agencies that is creating duplication and inefficiency, he argues. But there seems little likelihood that ministries are simply going to hand over their budgets to an outside agency.

The pressures on ministries to show results are likely to result in even more money being directed to narrow and specific areas. Many of the aid announcements over the past decade were directed to a particular sector, determined by shifting fashions. Combating HIV/Aids was a popular cause towards the beginning of the decade; aid-for-trade was in vogue around the middle; agriculture became the hot topic once the 2007/08 food crisis hit.

The trend may have been encouraged by a particular approach to development economics which has grown in the past few years: the technique of testing programmes using laboratory-style small randomised controlled trials (RCTs) with control groups. RCTs can be used to assess, say, what impact a deworming programme for Kenyan children has on their subsequent attendance at school. The RCT school of economists offers aid practitioners and politicians the possibility of being able to point at concrete outcomes. But the movement has provoked its

own backlash, with other economists warning that results obtained on a small scale and monitored by outside experts are not necessarily applicable nationwide.

Christiansen says that while it is fine to monitor what results aid is producing overall, it is counterproductive to try to track the impact of individual programmes. "Donors are in danger of confusing results with attribution," she says.

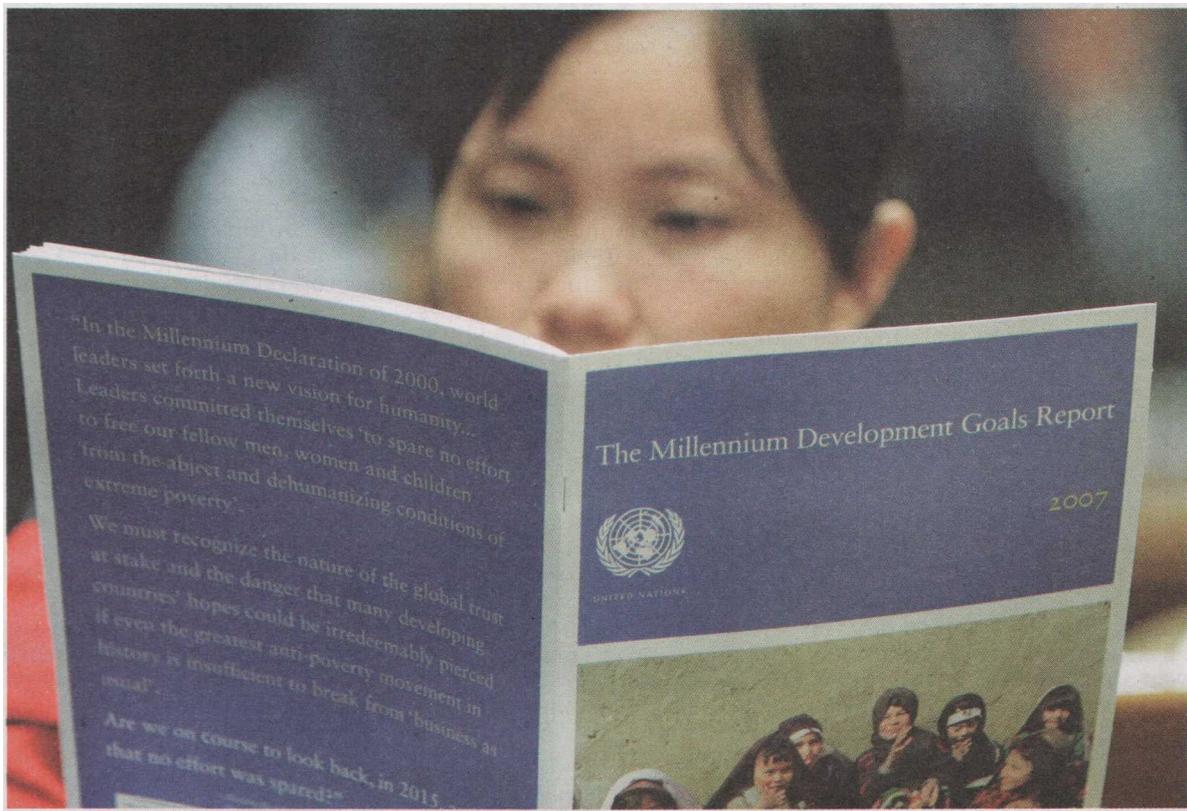
For whatever reason, the habit of espousing a new cause each year continues. Canada made maternal mortality a prominent issue for its chairmanship of the Group of Eight rich countries this year and corralled fellow governments into a set of spending promises. Canadian officials insist that these involve new money. But they do not appear to involve any donor country actually increasing its aid budget.

In fact, it is unclear whether these announcements mean anything at all. There is no universal standard for designating an aid payment as destined for a particular purpose. Sometimes a government can fulfil a spending commitment simply by adding a so-called policy marker when it reports its aid spending to the OECD.

As Christiansen points out, it is anybody's guess how governments will track the pledge of US\$10 billion in financing they made at last year's climate change conference in Copenhagen to mitigate the effects of global warming. Some may count as aid, some may not. But "unless it is reported on the same basis as aid, it will be impossible to make comparisons", she says.

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An unknown delegate reads The Millennium Development Goals Report for 2007. Photo by Reuters