

Fostering ownership in aid: comparing Nordic and Japanese lessons in Asia

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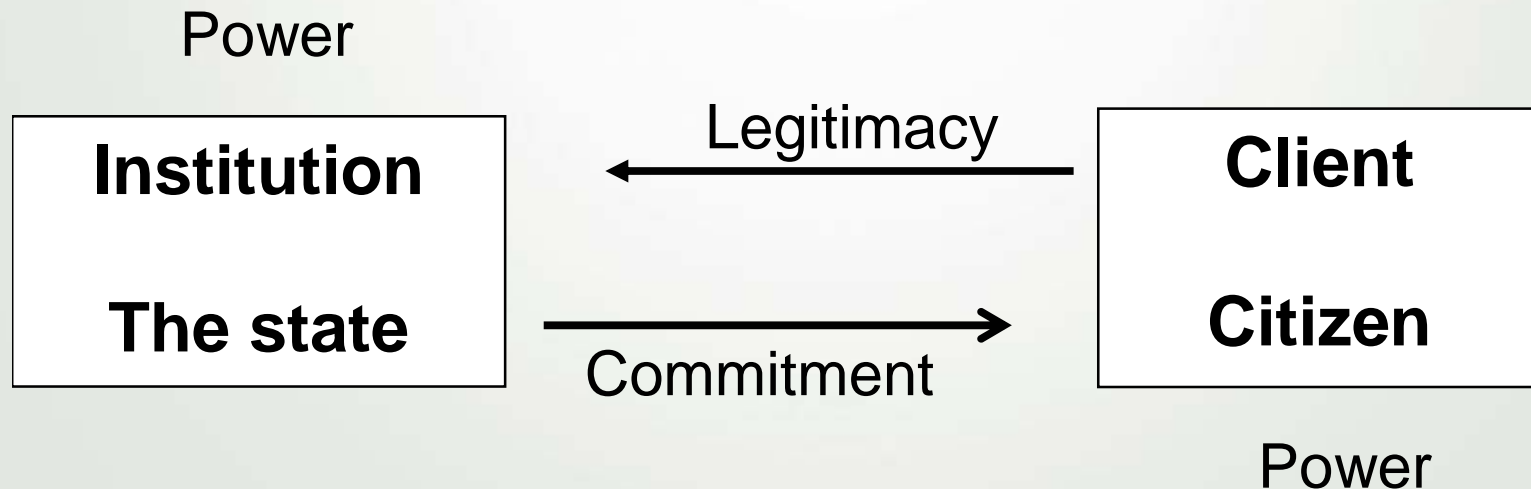


What inspired *Aid relationships in Asia*?

- To **challenge** assumptions in the 'post-Washington consensus'
 - Does ownership result in more effective aid?
 - Can donors create ownership?
 - Is the "new aid architecture" really about partnership?
- To **test** how to discover ownership
 - How to recognise ownership? And degrees of ownership?
 - Whose ownership?
- To **discuss** implications for aid modalities
 - How is it perceived from the recipient side?
 - What matters in donor behaviour?

'Ownership' deconstructed

- Key elements to look for
 - **Power** (and rights) : setting agenda, planning, execution
 - **Accountability**: legitimacy in eyes of key stakeholders
 - **Commitment**: will and capacity to act



'Ownership' deconstructed

- **Many** can be owners
 - 'Country ownership' a misleading term
 - Power struggle – ownership at top or bottom (beneficiaries)
 - Whose ownership matters most?
- Ownership does **not** per definition yield positive outcomes
 - Capacity to deal with donors
vs. Capacity to formulate vision/policy
vs. Capacity to deliver on the ground

Ownership vs. Partnership

Ownership



Power - empowerment

Partnership



Mutual interests - equality

Dilemma

Partnership

Donor wants a lot for little

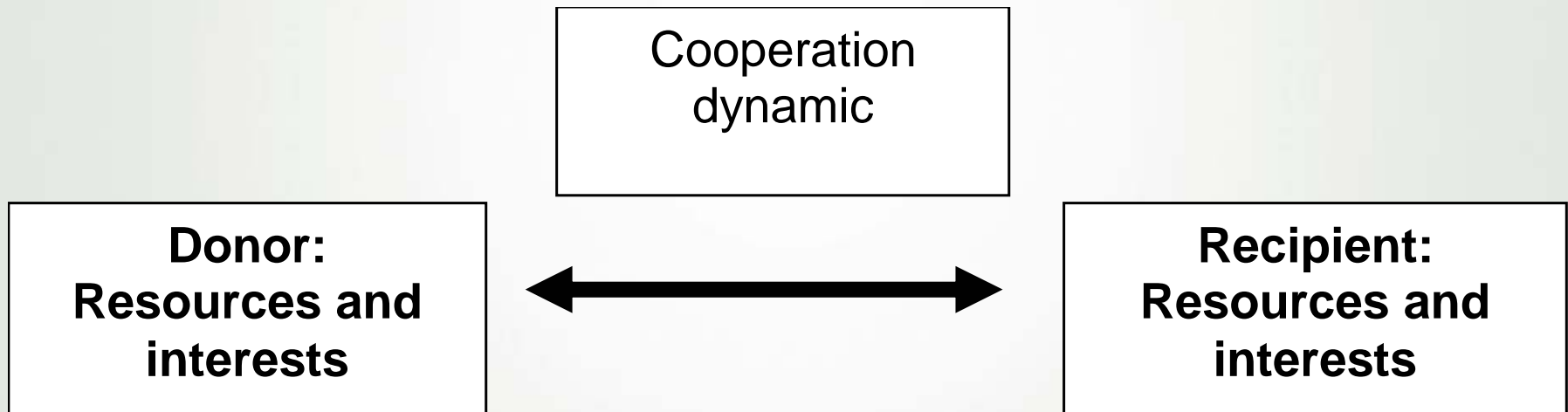
Ownership

Recipient wants sovereignty

OECD-DAC (1996): *Paternalistic approaches have no place*

Ownership vs. Partnership

But all three factors still matter in aid relationships:



The Car

Who owns the car?

Who is driving?

Who made the road map?

Who decides where to go?



Nordic vs Japanese aid

| | Nordic | Japan |
|-------------------------|--------|-------|
| Volume | Less | More |
| Tying of aid | Less | More |
| Using gov't systems | More | Less |
| Relevant knowhow | Less | More |
| Special policy concerns | More | Less |
| Programme aid | More | Less |

Findings from country case studies: aid dependent

LAOS

- Ownership by the political elite exercised to defer reforms. Bypassing arrangements by donors do no alter the situation

SRI LANKA

- Domestic factors play a more important role in explaining ownership than variation in donor practice

MONGOLIA

- High recipient ownership of outcome despite high donorship in implementation

NEPAL

- Aid dependent but donors not successful in influencing political process

Findings from country case studies: aid is marginal

CHINA

- Treat donors differently – big (Japan) and small (Sweden)

THAILAND

- Domestic decision-making process with high degree of legitimacy led to decisions deviating from donors' advice
- Ownership varies in stages of the project cycle
Ownership varies among key stakeholders depending on own interests

VIETNAM

- Historical experiences and strategic considerations cause different approach to donors (Japan vs Sweden)

Conclusions on 'ownership'

- Recipients seem not to want a uniform model for partnerships
- Historical experiences matter for aid relationships
- Donors have very limited influence when not invited
- Ownership seems not correlated with donor policy
- Ownership is complex and unpredictable
- Ownership can also result in 'bad' outcomes

Implications for 'aid architecture'

- A more modest and less instrumental perspective on the role of aid
- Plurality is not bad – recipients want different kinds of donor to choose from
- Ownership cannot be created by aid – but can be facilitated
- Long term engagement is essential – relationships have to grow
- But donors need to show willingness to withdraw when ownership does not yield results