



Perspectives on existing aid mechanisms and recommendations for a more effective aid regime



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Introductory remarks

The word “aid” has a natural meaning that is based on “assisting” a person or persons to overcome their own stated problem(s) or threat(s). It never meant helping a person overcome perceived problems. A second implied mean to the word “aid” is support for an act or acts of a person or persons to overcome their own stated problem(s) or threat(s).

The current global understanding of “aid” has, over the years, systematically distanced itself from this natural meaning. In recent times, “aid” has become almost exclusively tied to economic development and enhancement of perceived ideas of the social environment. In that tie up, “aid” has almost completely ignored community and natural development as well as cultural and natural environments. Additionally, it has translated “aid” into specific components such as financial assistance, material assistance, psychological assistance etc. Very little aid goes into “supportive assistance” for individuals or communities with self formulated plans for overcoming their own problems or threats.

Additionally, strangely and dangerously, “aid” has become a channel for making a profit, mostly through conditionalities that allow for exploitation of valuable natural resources.

It is common knowledge that aid based on this format has causes more problems that it has solved. It is granted that the “aid world” has slowly woken up to this fact or at the very least, found its mechanisms untenable for continuation of exploitative practices. This, in turn has given rise to supposedly affirmative action such as the “Paris Declaration” of 2005. There is was heralded that a more effective “aid regime” would be set in place through the five key principles of ownership , alignment, harmonization, managing for results and mutual accountability.

It is equally common knowledge that southern civil society organizations (SCSOs).view these principles and attendant modalities with some skepticism. The chief articulated concerns are that the declaration does not go far enough in key areas such as technical assistance and untying aid, fails to acknowledge or address the impact of policy conditionalities, glosses over central poverty eradication concerns and is more interested in processes rather than outcomes and does not require transparency in the aid system

leaving donors and southern governments unaccountable to parliaments and citizens.

Before addressing the role of CSOs and CSO partnerships in a “*more effective aid regime*”, it is important to understand the ground reality of “aid” and perceived notions of “effectiveness” and use that understanding to formulate a *truly effective aid regime* that allows for optimal positive impact of assistance to address the actual needs of the individuals, communities and countries that are the target of such help.

The current aid environment

“Aid”, in terms of the current understanding of the word, bases itself almost exclusively on money. The power of money or the financial strength of donor agents is now tied into almost every development strategy of the southern countries. Thus “aid” has now become interchangeable with “funding”. This aid comes in three forms of loans, grants and charity aid.

Large scale loans and grants are provided by International Financing Institutes (IFIs) as and they are stringently tied to conditionalities that affect the sovereignty of target states and cause long-term damage to environmental and social systems. These organizations, joining hands with local southern governments, have attempted to implement so-called poverty reduction methods through Poverty Reduction Strategy Papers”. On closer inspection, large amounts of aid have been tied to sweeping reforms of public sector institutions and legislation that would legitimize a process of exploiting the rich natural resources of targeted countries in exchange for the financial assistance that is being offered. Obviously, these strategies were aggressively resisted by organized civil groups in those countries and as a result, there has been a significant slowing down of such processes in the recent past.

Additionally, such loans are also granted from one government to another. This form of aid is tied even more than the preceding mechanism to direct involvement in the internal affairs of the recipient country and expansion of power bases and jostling for position against other nations with similar objectives. Traditionally, such grants had no conditions attached, reduced monitoring of fund disbursement and little or no requirement for accountability to the citizens of the beneficiary country. Arguably, from a civil society perspective, this could be the most dangerous form of fund into a country.

Charity aid, on the other hand has been provided (mostly) by Northern Civil Society Organizations (NCSOs). Past experience has shown that many of them have claimed to be working with (and for) the poor, marginalized and disenfranchised communities of the world but in reality, they too seem to have been guilty of attempting to plant alien ideas in societies and geographies they know little or nothing about. This too, obviously leads to the same escalation of problems that were evident in IFI/Government action to engineer a more equitable society.

All in all, aid, regardless of its source, has failed to address the actual concerns of those who are in need of assistance. From the perspective of Southern civil groups and concerned individuals, the formation of a better aid regime from a CSO standpoint would require a rethinking of the idea of “assistance” on the part of NCSOs. Quite apart from the covenants of instruments such as the Paris Declaration, there needs to be a new aid architecture that factors in the complex interrelationships of geographies, cultures and sensibilities of the southern communities if the goal of “aid effectiveness” is to be realized.

IFI loans

The thinking and modus operandi of the IFIs

The IFIs such as the World Bank, the International Monetary Fund, the continental development banks for Asia, Africa and South-America, the Japan Bank for International Corporation etc are either funded directly by multi-nationals or governments who are in turn funded by the same small group. As such, these financial institutions have become de-facto spokespeople for the megalomania and greed of these corporate entities.

These methods can be outlined as follows:

- 1) Provide loans to developing countries for exercises that can yield optimal exploitation of natural resources for multi-national corporations and the cost to the true owners of these resources, namely, the citizens of the targeted country.
- 2) Attempt at all times to commoditize the right to life itself by maneuvering to put premium prices on food, water, medicine, fuel and knowledge which are life critical resources that have been provided gratis in all developing countries.
- 3) Work towards establishing ever greater control of natural resources by the local private sector which can be easily manipulated for the gain of global corporations.
- 4) Use local supporters with agendas driven by personal gain and power within the governance structure of the target country to silence the voices of citizen dissenters by leveraging policing instruments, thugs and/or the underworld within that country.
- 5) If local institutional arrangements, legislature and policy of target countries are such that exploitative systems are prevented from being exercised optimally, then attempt to change the same through threats, coercion or outright bribes.
- 6) Ensure that they cannot be prosecuted by a recipient country.
- 7) Ensure that their “development” loans, regardless of the form that this development takes have a massive return on investment in terms of the control and resource exploitation potential of the targeted country.

In order to ensure that there is little or no resistance to these moves, the IFIs hid their primary agendas behind a curtain of righteousness and a professed

“commitment to development” of targeted nations. In order to do this, they set in place a series of well documents “modes of engagement” in the process of delivering funds, monitoring their use and ensuring their outcome. Clear plans for safeguarding the interests of citizens, modes of establishing accountability etc have been detailed in all the corporate publications and policy documents of these institutions. However, over the last four decades, the following have become apparent:

- 1) IFIs state that they will align their actions with the policies of governments but in actuality attempt to ensure that their policies become the policies of those governments
- 2) IFIs state that they want good governance but are very willing to work with bodies that have none
- 3) IFIs state that they stand for zero tolerance of corruption but have proved that they will look the other way if it is to their advantage
- 4) IFIs say they want to eliminate poverty but work to ensure its continuity
- 5) IFIs profess to have good mechanisms to handle complaints but those mechanisms are set up in such a way as to make it impossible for citizens to voice their protests
- 6) IFIs profess to be transparent but make sure that the citizens of the country who are the primary claim holders of development activities are denied access to crucial information

The results of the cycle of misinformation, non-information, corruption, exploitation and greed maybe summed up as follows:

- 1) In most development country over 80% of the development initiatives funded by loans from IFIs have gone into failed projects that have caused widespread social and environmental damage
- 2) Caused the advent of a new form of suffering – that of the “development victim”
- 3) Ensured the disenfranchisement of large groups of people from their right to quality life, right to free utilization of natural resources and the right to express their protest over the abuse of their socio-cultural life systems
- 4) Driven large segments of the population below the right to life
- 5) Caused sever threat to the security of human beings including food security and life security

- 6) Increased the debt burden of citizens to unmanageable proportions with every man, woman and child of developing countries having to (impossibly) give up their salaries (at the minimum salary level) from six months to five years if the burden is to be removed for no discernible gain
- 7) Increased stress, trauma and desperation to levels that cannot be reduced by any means known to mankind.

It is obvious; therefore, that the existing models for aid (fund) delivery by these organizations have only managed to push developing countries away from sustainable growth into a hopeless, ghost existence of dependence while the multi-nationals feed off the richness that rightly belongs to the people of a country.

While some of the IFIs have, in the recent past, attempted to change their outlook and their way of doing business to be more people friendly and less corporate friendly, most are too well caught within that web of financial and expansion greed to be able to initiate such action. Thus, dramatic, far-reaching and turnkey change on their parts is extremely doubtful and *since they are the largest donors into developing countries, there is grave doubt that any efficacy models for aid delivery will become more than just models.*

The Role of the WTO:

The issue is further compounded by the fact that the World Trade Organization is also heavily compromised by corporate interests. The WTO is the “legitimizing organ” of corporate greed and vociferous protests on the part of citizens around the planet for justice and equity at their meetings have clearly shown that their policies, enforced through the fact that almost all nations are signatories to the UN charter have striven to establish the dominance of development for exploitation over development for sustenance. Thus, unless the WTO policies are made subservient to the processes of effective models of aid at the grass-roots level, these models will not be effective. For example, if a model is established that insists on food security for people around the globe by promoting subsistence farming is to be practically implemented then the WTO insistence on concessions for corporate agro-businesses has to be withdrawn. As global politics stand now, there is little chance of this occurring and therein lies a moral challenge for all policy makers on this planet.

Bilateral loans

This sort of loan is sort by governments in developing countries when all other channels for financial assistance are exhausted or when there are strong accountability conditions attached to them. Simply, these are instruments that are used when a government is not keen that the citizens it professes to rule know what they are getting into debt for. With no transparency requirements, individuals or governments may use these funds with impunity for almost anything they wish to. The return on investment for this for the donor country is political and territorial. Emerging economies such as India and China have become lavish distributors of this sort of aid in order to expand their power bases and global political and economic clout.

The negative fallout for citizens of the target country is as follows:

- 1) Increase in national debt which they will have to underwrite in terms of increased costs of living and infrastructure
- 2) Widespread environment damage since there are no clauses for environmental accountability
- 3) Widespread social, cultural and historical damage since there are no clauses to ensure that there is adequate compensation for such damage
- 4) Infiltration by foreign governments into the internal affairs and political structure of target countries increasing their political and economic vulnerability
- 5) Significant compromising of national security

Thus, bilateral loans are possibly the worst forms of aid that a developing country can tap and these types of loans should be completely rejected in any effective aid model since core principles of ownership, harmonization and mutual accountability are violated by default. National and regionally aid monitoring agencies and CSOs should pay particular heed to such loans and lobby aggressively for rejecting them.

Charity Aid

The current thinking of NCSOs in general:

The moneyed northern CSOs have perennially visited southern nations with both a sense of financial power, the ego that such power generates in people and an amusing naiveté about what can and should be done. They continue to believe that they are the “great rescuers” and “solution providers” for all southern ills. Although there are a few NCSOs who do not subscribe to this view, it should be stressed that in general, a very large percentage of them think in this way.

As such,

- 1) They have appointed themselves as the creators of all poverty reduction models.
- 2) They prepare tools to get “participation” that will ensure and/or validate their own perceived outcomes
- 3) Any counter strategies or alternatives that don’t subscribe to the models of the “great northern hope of the south” will be ignored, marginalized and unsupported.

The outcome (or rather, fallout) of such thinking is that most of the so-called northern CSO financed “interventions” have been practical failures that have resulted in even more trouble for the communities that were victimized by this almost missionary zeal. The word intervention is exactly right here, since organic process and cultural and geographic values were completely ignored and the process actually prevented sustainable action from occurring on the ground.

In most cases, their modus operandi is as follows:

- 1) Design and decide what is best for the south on behalf of southern communities
- 2) Gather a battery of so-called “experts” who know little or nothing about the realities of southern nations to give validity to their plans
- 3) Second the support of SCSOs with the lure of “funding” to support their missions on the ground
- 4) Formulate a strategy with the support of SCSOs and “sector experts” to negate area specific thinking of targeted communities and work to

- disempower them of their own ability to get themselves out of their own troubles.
- 5) Re-empower the target community in accordance with their own models for solving a problem.
 - 6) Make sure that the proposed intervention follows pre-conceived ideas of how monitor and evaluate such actions (read: activity lists, log-frames, evaluation reports and final reports)
 - 7) Remove one's presence once the so-called "project life-cycle" is done.

The outcome of such action is that a full 95% of all NCSO activity in southern countries have been complete failures. Those that did succeed did so not because of the NCSOs but despite of them.

The problems and issues arising out of current NCSO thinking:

- 1) Target communities are systematically confused and confounded by multiple assaults on their very sensibilities
- 2) Short-term thinking produces short-term positives and long-term disasters
- 3) External experts are not, external resource people aren't.
- 4) There is a tendency for moral (and financial) corruption amongst SCSSOs who will do whatever the NCOs want in order to get "funding".
- 5) Local knowledge and local expertise that is area, geography, culture and social system specific is completely subsumed or eradicated.
- 6) Absolutely no accountability for actions leading to a situation where the validity of the whole CSO presence in development related activities is being called into question.
- 7) Maintenance and continued production of poverty, marginalization and disenfranchisement

Given the above, one questions whether any affirmative action would be of any use at all. For example, when "ownership" is being touted by these organizations, it may simply translates into a situation where the NCSOs will "teach" the target communities what is right or wrong and then "prove" ownership by letting the brain-washed communities speak on their behalf. Or take "alignment". If policy formulation at the national level or even at the level of grass-roots organizations is influenced by the promise of money being given for specific modalities of thinking, then local policy is automatically "aligned" with the thinking of the funding agent. Similar

arguments hold true for every other one of the principles outlined in the Paris Declaration.

Therefore, one must recognize a fundamental truth about the current thinking on aid effectiveness. The change in thinking is on paper only. *There is no practical mechanism to ensure that true change will occur and thus, there is no guarantee that aid will be useable and useful for addressing the priorities and core concerns of targeted communities and nations.*

It is obvious from the above that the attitude of the NCSOs is detrimental to any positive impact of assistance and there must be an immediate and genuine change of thinking if the current state of affairs is to be changed at all.

The voluntary disempowerment of NCSOs:

“Charity” by its definition is a word that means giving to those in need without a thought as to how or what that assistance is used for. The moment that assistance is tied to external agendas it ceases to be charity and degenerates into commerce. It is understood that the world of “charity” has come quite a distance from this idealistic place and that in the current world there is very little giving without some sort of “return on investment” either stated or implied. When this ROI (regardless of the justification) becomes more the reason for giving than the giving itself that problems arise. The NCSOs have been guilty of precisely this sort of thinking. If effective aid is the goal then the following are suggested for immediate address by the NCSOs:

- 1) Never attempt to tie poverty reduction to money. The process of reducing poverty requires little money and a lot of commitment on the part of the poor communities and a few supportive individuals and organizations.
- 2) Do one of the following:
 - a. Either take a lot of time to understand area specific sensibilities that are based on socio-cultural and socio-natural understanding that is largely alien to the donor
 - b. Or work with SCSOs who have a proven track record of understanding ground situations and working for long lengths of time with the same communities. Here it should be noted that so-called “delivery organizations” which run from “project” to

“project” ensuring pre-project outputs are realized are not the sort of organization that has any ground sensitivity or commitment to go the long haul. It should further be understood that such organizations are the majority in the South. It should also be clearly understood that working with such organizations works counter to aid-effectiveness.

- 3) Give highest priority to the knowledge and sensibilities of target communities. If a SCSO approaches an NCSO for “funding” to intervene in a particular set of circumstances the are only *saying* that they have the insight and knowledge to understand what is going on but proof of this would require far more stringent pre-project evaluation that takes into consideration a real audit of the target communities actual requirements.
 - a. Understand clearly that the NCSO arrives on the shores of a southern country armed with only money. Nothing more and nothing less. What that money can and should be used for should be in the hands of SCSOs with an excellent track record of two way transparency and accountability. The communities they work with should know of this from practical action in the past and the donor organizations should know of this from past experience.
- 4) Understand that “results” are not things that usual happen within project life-cycles and make sure that there are clear plans for ensuring sustainability and ensure that the donor agent is present and willing to continue to support mid and long-term strategies.
- 5) Never come to southern countries with funds tagged with a spend-by date. That modality will ensure that the funds will take local interventions nowhere very fast.

Issues arising from corruption in SCSOs:

While a large percentage of the problems facing effective aid delivery can be laid at the door of NCSOs, SCSOs have played a significant part in the lack of aid effectiveness in their own right. The following can be highlighted:

- 1) Widespread nepotism amongst SCSOs
- 2) Rampant financial corruption
- 3) The sense of reciprocal power that money brings which SCSO personnel have regularly used as a hold over communities targeted for

aid resulting in sexual harassment, granting of unfair or preferential treatment in return for financial or material benefit etc.

Unfortunately, due to lack of penetrative short-listing and monitoring of SCSOs, NSCOs regularly fall victim to these types of organizations. The result is the vulnerable communities are victimized even more, at least 30% of financial and material aid is embezzled and competent personal are either marginalized or evicted as fall out of nepotistic behavior.

Working towards an effective aid regime

Obviously, an effective aid regime is not something that happens because of declared intent but rather because of active commitment on the part of all players to ensure that some fundamental ideas are implemented. Thus, an effective aid regime is the outcome of positive action on the part of all players. For this purpose the following apply:

- Ensure ownership is defined as a phenomena that is determined by people and not exclusively by governments
- Ensure that alignment is with people driven national policies and not those of a government or donor agents by having all loan action cleared by a panel that has adequate citizen representation.
- Ensure that harmonization is provable against the historical and cultural backwash of a society as that society determines it and not by accepting perceived ideas of them.
- Ensure that funds and development action and managed to ensure the results anticipated by the people and not of governments or donors through citizen participation in the monitoring process.
- Peoplization of the development process though the establishment of practical models for ensuring civil society participation in formulating development policies that are based on their cultural, historical and lifestyle perspectives.
- Ensure that there is empirical evidence that there is substantial return on large scale loans for the citizens of the country by independent studies conducted by impartial individuals or organizations.
- Clear safeguards and mechanisms for quick, efficient and adequate remedial action should be component parts of all large scale financial assistance.
- Strong judicial and legislative controls over large scale donor agents
- Rejection of bilateral loans that lack accountability or transparency
- Ensure that environmental damage is minimized in any development activity.
- A clear and stringent self-governance model that incorporates the best practices of aid delivery for CSOs.
- Collaborative partnerships with southern civil organizations as opposed to donor-recipient relationships in the disbursement of charity aid.
- Work exclusively to address the priorities that the target communities set for themselves.

- Set stringent guidelines in place to ensure that only SCSOs with an absolutely impeccable track record are short-listed for partnerships.
- Accept as a core value that “educating” communities should be minimized while learning and sharing are emphasized.
- Removal of the accepted concepts of project planning, managing and monitoring and the reformulation of a holistic approach that ensures true participation of the target communities and countries.
- Coordination of aid activities through a central CSO forum to ensure that there is no aid overlap.
- Ensure that there is no resource or work conditions disparity between NCSOs and SCSOs.

Conclusion

Given all of the above, an aid regime that is effective would have to be rebuilt from scratch. It will require a dramatic change in the way in which people believe civilized people should behave and it should incorporate the highest ideals of human existence that is based on harmonic coexistence of all. The greatest moral challenge is for those who are already in positions of great power – financially and politically. They will need appreciate that collecting wealth should not be the reason why “strategic donations” are made. They need to appreciate the fact that attempting to commoditize life is not only immoral but goes against every norm of human behavior and degenerates those who indulge in such activities to sub-human levels regardless of the power they wield. Above all, they should be able to understand and act on understanding that collecting money should give way to sharing and distributing it. They should be able to accept that “assisting for gain” is a non sequitur. If this change in the thinking of the rich and the enabled is not going to happen, then we must realistically understand that no model for effective aid will ever have practical positive outcome. This goes for every single institution and individual involved in the chain of aid generation and aid delivery. Therein lies the salvation of this most human of endeavor – assisting another who is in trouble. Therein lies salvation for the very idea of quality human existence.