



UKAN
UK Aid Network

UK Aid Network (UKAN) response to the 2009 Conservative Green Paper on international development

February 2010

About the UK Aid Network (UKAN) – UKAN is the main network of UK development NGOs who work together on aid quantity and quality issues.

UKAN's work is guided by a Steering Group, which currently includes the following organisations – **Actionaid UK, Bond, CAFOD Care International UK, ONE, One World Action, Oxfam GB, Publish What You Fund, Wateraid and World Vision UK**, who have all endorsed this paper.

UKAN's wider membership of an additional 20-25 UK development NGOs from across the sector, have also fed into this paper.

1. Commitment to the 0.7% aid target

UKAN members welcome the Green Paper's restatement of the Conservative Party's long-standing commitment to deliver 0.7% of GNI as aid by 2013, which coming during a time of economic hardship for the UK is a significant display of leadership on aid.

We would though emphasise the importance of two points not yet clearly stated in Conservative policy. It is important that such a target becomes a standard for the UK to meet in 2013 and all years subsequent to it. It is also important that all aid contributing towards this target is consistent with international standards (set by the OECD) and existing UK legislation that defines what types of expenditures are suitable to be counted as aid. We believe that the Conservative party may already support such positions, but we would appreciate greater clarity on them in future policy statements.

2. Balancing focus on aid inputs and outputs

UKAN members welcome the Green Paper's assessment that aid inputs have to date received more attention than outputs and that more attention needs to be paid to promoting and monitoring results of aid interventions in order to foster accountability and improve the impact of aid on development.

However, UKAN members are keen to highlight the importance of retaining maximum ambition on making aid delivery more effective as well as giving more attention to outputs. The Green Paper makes limited reference to the UK's commitments on aid effectiveness through the Paris Declaration and Accra Agenda for Action, even though they have not been fully implemented; and fails to mention the need for a successor to Paris to be agreed in 2011. Given that unpredictable aid can reduce its value by 20%¹ and uncoordinated aid demands significant time from weak ministries these reforms are of huge significance for increasing the impact of aid on development. **See UKAN Policy Paper 4 – "The future of the**

¹ H.Kaharas (2008). "Measuring the cost of aid volatility", Wolfensohn Centre for Development, WP 3

international aid effectiveness agenda – to 2010 and beyond” for more of UKAN views on these issues.

UKAN members would also like to emphasise the importance of increased attention on outputs not leading to a culture of intolerance around failure to achieve expected outputs. Such an approach fails to recognise the inherent risk around development investments, and will also discourage innovation, focus on most challenging issues and open discussion of challenges around aid. The key objectives for an output focus should therefore be not only to achieve better immediate outputs, but also to learn more about how to deliver more effective future interventions.

See UKAN Policy Paper 1 – “Challenges for improving the impact of the UK’s aid” for more of UKAN’s views on these issues

3. Independent Evaluation and Performance Based Approaches

UKAN members welcome the emphasis the Green Paper puts on the need to improve monitoring and evaluation of outputs by making DFID’s evaluation function fully independent, in-line with international best practice (e.g. in Denmark).

UKAN members also recognise that where incentives around aid are poorly focused on results, using Performance Based Approaches may also have an important role to play and their use should be explored. We do though want to sound a note of caution about such aid modalities, based on extensive investigation of their use and our experience with them. We believe that like any other aid modality, Performance Based Approaches have their strengths and weaknesses, are best suited to particular environments and interventions over others and have not conclusively delivered improved results where in use.² They are therefore not a panacea and need to be introduced carefully following a full assessment of their suitability and in partnership with recipients. They also need to allow recipients access to upfront investment costs, ensure more difficult interventions are not neglected, guard against perverse incentives emerging and to build-in opportunities for capacity building.

See UKAN Policy Paper 1 – “Challenges for improving the impact of the UK’s aid” for more of UKAN’s views on these issues

4. Accountability for aid

UKAN members welcome the Green Paper’s analysis that accountability around aid is all too often weak, especially to the poor and marginalised. We therefore strongly support the Green Paper’s emphasis on the importance of making significant improvements to the transparency of information relating to the UK’s aid and increased support to accountability processes around budget support and other support through government.

UKAN members are, however, keen to emphasise some issues around aid accountability not firmly addressed in the Green Paper. The key to promoting accountability of aid to the poor is to ensure that developing country governments and other delivery institutions are accountable to their citizens. In this respect, donors can more easily obstruct such processes rather than support them, through inappropriate policy conditionality, imposing priorities and approaches, avoiding supporting developing country institutions and paying insufficient attention to the need for citizens to be fully involved in policy discussions. We hope these issues will be strongly addressed in future Conservative policy on aid.

² In relation to aid, see “Performance incentives for Global Health: Potential and Pitfalls”, CGD, 2009
In relation to the UK NHS see “Paying for Performance “, PWC, 2008

See UKAN briefing on “how aid can be a tool for making poverty history” for more of UKAN’s ideas on these issues

5. Aid in conflict environments

Since the Green Paper’s publication UKAN’s members working on conflict issues (mostly through the BOND Conflict Policy Group) have led our work looking into your proposals and we would like to share our responses from this lengthy process of discussion and debate.

UKAN members welcome the Green Paper’s emphasis on the need to make aid more effective in conflict affected and fragile states and to put this goal at the centre of the UK’s aid efforts in the coming years.

UKAN members are also aware that there is a need for DFID, the FCO and MoD to work together more effectively in conflict affected and fragile states, given the unique challenges these countries face and the important skills each UK government Ministry can contribute to supporting them to tackle these challenges. Tripartite structures such as the Stabilisation Unit and Conflict Pools have already made an important contribution to the UK’s support and their strengthening will be important, especially as they provide an opportunity for development objectives to be considered in the planning of all interventions.

In considering reforms to “bring about a step change in the effectiveness in the British civil-military development effort”, UKAN members would urge the Conservative Party to avoid giving the military independent management of aid spending in countries such as Afghanistan and to focus its efforts on areas where its skills are most relevant, e.g. helping with large infrastructure, security and arms control. There is significant evidence from Afghanistan that independent military aid efforts, especially in unsuitable areas (e.g. service delivery and community development), have to date failed to take account of local needs, tensions and governance; had limited long term development impacts; and made it more difficult for humanitarian organisations to operate.³

UKAN members also agree that greater levels of development assistance in the Afghanistan and Pakistan may be significant in helping to promote stability in these countries. We would however emphasise the importance of this assistance being focussed on long term development priorities including support for democratic, inclusive governance - not short term security ones; and that such a scaling-up can be achieved without harming the focus of UK aid on the poorest countries and allocations to other key development partners, especially in Africa.

See UKAN Policy Paper 3 – “A re-focussing of development on conflict – implications for the UK’s aid” for more of UKAN’s views on these issues

6. Budget support

UKAN members welcome the Green Paper’s assessment that more attention needs to be paid to the accountability around budget support and the commitment to use up to 5% of budget support to fund accountability work in-country. We believe that sustainable and effective accountability will only develop in the poorest countries if it is demand-led, builds

³ See “Aid and Civil Military Relations in Afghanistan” 2009; and “Afghan Hearts, Afghan Minds – Exploring Afghan perspectives of civil military relations”, 2008: both by British Agencies Afghanistan Group (BAAG) and European network of NGOs in Afghanistan (ENNA)

on existing domestic processes and is inspired by citizen-led efforts, and maximum ambition for this type of support will make a significant contribution to such objectives.

We are keenly aware of the concerns raised by parliament and the NAO around budget support and the challenges this type of support brings to accounting for UK assistance and reporting on its achievements. Whilst we welcome the emphasis on increased scrutiny of budget support and the need to take action where it is not being spent well, we want to emphasise that it is patient, long-term, multi-stakeholder engagement that gives budget support the potential to deliver significant development results. We therefore hope the Conservative Party will marry a more disciplined approach, with open and patient dialogue with developing countries on challenges relating to budget support, appreciation and support for tackling capacity challenges and with a long term perspective.

See UKAN Policy Paper 2 – “The case for budget support, country-owned and predictable aid” for more of UKAN’s views on these issues

7. Multilateral effectiveness

We support the Green Paper’s analysis that the UK’s funding decisions to multilateral development agencies are not always made on the basis of their performance and the need for the UK to demand more effective performance from these agencies.

We would though emphasise that a more intensive focus on the performance of multilateral development agencies should focus not just on aid effectiveness criteria in the Paris/Accra agendas, but also wider issues that are critical to ownership and accountability, e.g. conditionality, transparency, wider-stakeholder engagement, focus on the poorest people and empowerment.

Whilst we appreciate that the European Commission’s (EC’s) development program could be more effective, we do feel that future Conservative policy towards the EC needs to be cognisant of the fact that it has made significant improvements in recent years, its aid does help reduce transaction costs to recipients (by pooling funds from many donors) and its aid does display some very progressive elements (e.g. a move to 6 year tranches and outcome based conditionality).

See UKAN Policy Paper 5 – “An agenda for improving the effectiveness of multilateral development agencies” for more of UKAN’s views on these issues

8. Climate change

The Green Paper rightly highlights the significant challenges that climate change poses for the world’s poorest people and shares some important proposals for how a Conservative government would contribute to efforts to tackle these challenges, including its support for making additional resources available to help developing countries adapt to climate change.

However, the Green Paper fails to state whether the Conservative Party believes that financial resources provided by the UK to support adaptation should be additional to its 0.7% commitment or not. It also fails to emphasise the importance of supporting climate change mitigation in developing countries.

UKAN members believe that any finance the UK government provides to developing countries for climate change adaptation and mitigation through a global deal on climate change, should be in addition to the 0.7% general aid commitment. We hope the Conservative Party can support this proposal, which will help to ensure that sufficient resources are available to support developing countries to deal with the full range of development challenges they face.