

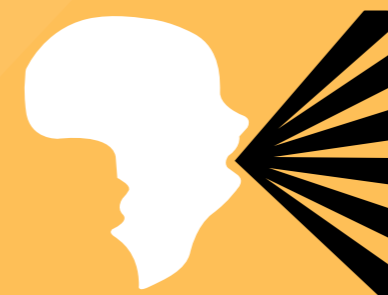
With this in mind it is then important to consider the following key messages:

1. African countries need to put in place appropriate and relevant policy and legal frameworks for grassroots participation in development activities. Such frameworks should also ensure that the needs of the grassroots are the main focus of implementation initiatives. Specifically, mechanisms and systems for grassroots participation should move away from consultation, to real decision making by the grassroots, particularly about resource allocation at local level.
2. The policy of decentralization is a potentially effective one for grassroots prioritization and targeting. However, it needs to be implemented together with robust capacity building schemes at the district and local levels, so that district officials and communities are given the opportunity to learn the skills required to implement the systems effectively.
3. Donors are encouraged to integrate into their implementation activities monitoring mechanisms to ensure that there is grassroots engagement in donor funded activities.
4. Resource allocation at national and district level should focus on grassroots priorities, particularly those that have been neglected in the past. This will require mutual accountability for grassroots development among African governments and donors.
5. Furthermore, expenditure should be proportionally distributed among the rural and urban population in order to ensure equitable development for both.
6. African governments should endeavor to strengthen their negotiating capacities, in order to ensure that donor resources are channeled to country priorities.
7. Donors are encouraged to commit to further accelerating the process of untying aid, and decreasing conditionalities imposed on African governments.
8. The quality of aid coupled with the scaling up of ODA need to be brought back to the centre of all advocacy efforts and development agenda. Furthermore, ODA allocations should be channeled to poverty reduction and the grassroots.
9. Attention should be given to the proportion of funding that supports humanitarian assistance and other short-term development sectors at the expense of long term sustainable development. Donors are encouraged to channel the bulk of their resources to sectors that will result in long-term development at the grassroots such as both the productive capacity of an economy such as infrastructure development, mining, industry and technology as well as human sustainable development.
10. If donors decide to increase the volumes of ODA to Africa, they need to increase in line with existing commitments. As the volumes increase, modalities used should endeavor to increase African ownership; their composition should release African countries from unsustainable debt burdens; and their focus should be on sectors that directly and maximally benefit the grassroots. In this way, the effectiveness of ODA will be strengthened, thus yielding desired outcomes at the grassroots level and country as a whole.



The Effectiveness of Donor and Country Development Resources at the Grassroots

KEY MESSAGES FOR ACTION!



african monitor

African voices for Africa's development

KEY MESSAGES FOR ACTION!

Is aid delivery and development support working for the grassroots in Africa?

Key messages from a pilot study conducted in 2007

"It is possible to put in place policies, systems and programmes that ensure the prioritization and participation of the grassroots in development implementation..."
African Monitor Aid Delivery and Development Support Synthesis Report, 2007

As part of its efforts to increase understanding about the effectiveness of donor and country resources on the grassroots, African Monitor presents key messages, which are based on a four (4) country study done in Ghana, Mozambique, Rwanda and Chad tracking the impact of development aid and support on the grassroots between 2000-2006. These messages provide useful insights for policy considerations, programming, and possible approach adjustments in the aid delivery system. They are mostly relevant to African leaders/governments and their development partners for action.

Key observations and trends in aid delivery and development support to Africa

Firstly, although there has been a noticeable increase in Overseas Development Assistance (ODA) into Ghana, Chad, Mozambique and Rwanda - with over 40% of their budgets being donor funded, there has also been a considerable reduction in overall ODA to Africa during 2000 - 2006. The latter trend is likely to continue and will impact negatively on the poor especially with the current economic meltdown. Donors are also falling short of fulfilling their commitments, pledges and promises including the 0.7% of their Gross National Income (GNI) and their more recent G-8 commitments at Gleneagles in 2005. There is also a shift in the aid modalities

adopted by donors led by pressure to ensure increased ownership of the development agenda by African governments as well as increased aid effectiveness. More and more donors are channeling their resources through Direct Budget Support (DBS), thus enabling African countries to use their own systems to channel resources; which to some extent has created the policy space for African governments to determine spending priorities. Mozambique recorded about 30% of aid going to DBS in 2005.

Secondly, there is a growing change in the policy environment - increasingly there is recognition that if policy development does not involve the grassroots, it is bound to fail to deliver its intended poverty reduction objectives. Instead, the poor and most vulnerable groups in society including the grassroots should be at the centre of any development interventions, as well as being active participants in the development of country strategies. This trend is already supported by numerous policy and legal systems/frameworks and mechanisms in place to actualize grassroots participation and resource allocation at national and district levels in the researched countries. However, the study reviews that despite these developments, there is inadequate focus on and allocation of resources to sectors directly targeting the grassroots. In Mozambique for instance, the government has not been able to give sufficient attention to agriculture, rural



development and roads because donors are hesitant to support those areas; while in Rwanda, grassroots opinion is that donor money fails to focus on the root cause of the poverty problem, choosing to focus attention on short-term food security measures.

In addition, participation of the grassroots is largely limited to consultative fora, rather than decision making platforms. However, the example of Mozambique where Local Consultative Councils can make implementation decisions is a good model for grassroots involvement in decision making and resource allocations. Ghana, like many other countries has also adopted a legal framework for the participation of civil society and the grassroots.

In relation to resource allocation, it is vital that adequate resources are channeled to initiatives targeting grassroots, and countries can experiment with district allocations such as the model used in Ghana or allocations to local councils as in Mozambique.

Thirdly, the issue of absorptive capacity largely hinders the effective use of aid. Difficulties with donor coordination and alignment, as well as existing aid conditionalities make it difficult for government officials to coordinate aid, and further allocate it to priority poverty sectors such as rural development and agriculture.

At the same time, countries have put in place structures for donor coordination. The most effective of these are those in Ghana and Rwanda, both of which were initiated by the governments, rather than donors. The Ghanaian model provides a good example of decentralized allocation

of resources, with positive outcomes as reflected through key informant perceptions on the effectiveness of aid and development support.

However, for the rest of the countries, there is concern that sector allocations are not appropriately targeting priority poverty reduction sectors. There are also grassroots concerns that urban areas benefit more than rural areas in development implementation, and that development initiatives are unfairly biased against special groups, such as orphans, people living with AIDS and survivors and;

Finally, there has been a push that recipient countries need to have more ownership of the aid agenda, particularly in determining funding priorities. In other words, both the power of donors, and the conditionalities usually stipulated need to be reduced significantly. A case in point is one in which donors still use the IMF's and the World Bank's evaluation and approval systems to determine whether a country is a 'deserving recipient' of aid funding.

In most instances, the IMF evaluation processes focus on macro-economic as well as governance issues as opposed to the more fundamental micro issues that affect the grassroots. This practice is potentially problematic as the IMF tends to push particular policy stances that have been proven to be detrimental to a country's development. For Ghana, although it is rated as having one of the better aid coordinating systems, and despite the fact that the country has decided not to receive funding from the IMF, it still needs to go through the IMF's approval processes to give other donors the assurance that it is 'aid worthy'. This has to a large extent compromised the government's overall agenda towards poverty reduction.

