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From Paris to the anti-corruption project: Examining the feasibility of ownership

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From Paris to the anti-corruption project: Examining the feasibility of ownership

This Practice Insight summarises lessons learned from four case studies conducted to examine what bearing the notion of ownership has on anti-corruption interventions involving the private sector. By demonstrating how effective ownership is often shared, and evolves over time as partners create results together, it promotes a more nuanced understanding of ownership than that expressed by documents such as the Paris Declaration and the Accra Accords. The recommendations provide guidance on assessing the appropriate scope and objectives of ownership for any development project.

The key questions

- Can donor-funded technical assistance projects foster a sense of ownership with the targeted national authorities and institutions?
- Does ownership matter? If it does, whose ownership matters, and at what stage in the reform process should we try to foster it?
- Is it sufficient that the government shows commitment to the broader goals and policies of the project, or do we need the government to exercise control over the processes and outcomes, as observed in the literature on ownership?

Background: Basic parameters of the projects under review

The four projects being examined were implemented in Serbia, Nepal, Mozambique, and Zambia.¹ They represent different approaches to corruption. While one project (Zambia) was an explicit anti-corruption project, two of the others (Mozambique and Nepal) had different stated objectives (reform of the customs services and promotion of a code of ethics among business people, respectively), yet explicitly intended to have a bearing on corruption levels. The fourth project (Serbia), designed to support municipal economic growth, did not mention corruption at all, but it was understood that if successful, it would have knock-on effects on corruption.

Implementation arrangements differed from one project to another. In Nepal, the donor (DFID) contracted a local organisation, which, in turn, tasked a local service provider to ensure that the technical aspects of implementation were attended to. In Mozambique, the customs authority was almost literally taken over by a foreign contractor, who placed expatriate staff in all key positions. The projects in Serbia and Zambia operated in a more conventional way, i.e. the donor – USA in both cases – contracted US private sector consultancy companies, who set up country offices to run the projects with a limited number of expatriate staff and varying numbers of locally hired staff.

In terms of size and duration, the projects also differed considerably, the smallest in terms of funding and duration being the Nepalese project (approx. USD 400,000), and the most substantial and protracted one was the customs services reform project in Mozambique (approx. USD 63 million).

Purpose of the study

The key assumption this short study questions critically is that stakeholder ownership of interventions leads to their increased effectiveness and sustainability.

Two out of the four projects examined predate the formal adoption of the Paris Declaration on Aid Effectiveness (2005). But given that the Paris Declaration only canonised a concept that had emerged over previous decades, it was felt that the inclusion of pre-2005 projects was justified. Arbitrariness in the selection of projects was also intended, as the idea was to examine, through an inductive approach, whether any robust lessons could be learned from a range of diverse projects regarding the ownership issue. Finally, the choice of topic was determined by the profile of the U4 Resource Centre, which is focusing its research on corruption, and responses to corruption.

Arguably, the Paris Declaration's principle of country ownership, and its extension in the Accra Agenda for Action (see the link under *references*), means democratic, participatory ownership applied to national reform agendas, macro-level development strategies, and programmes. The reason for making discrete projects – as opposed to comprehensive programmes, SWAPs and budget support – the object of examination is that a substantial proportion of aid continues to be delivered in this format, yet without abandoning the benchmark of ownership.

The debate on ownership

The Paris Declaration on Aid Effectiveness (OECD 2005) stipulated the imperative of country ownership as a precondition for the success of development aid: “*Partner countries [should] exercise effective leadership over their development policies, and strategies, and co-ordinate development actions.*” Partner countries are committed to “[e]xercis[ing] leadership in developing and implementing their national development strategies through broad consultative processes” and to taking “*the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector*”, while donors are committed to “[r]espect[ing] partner country leadership and help strengthen their capacity to exercise it.”

Presented in July 2008, an evaluation of the implementation of the Paris Declaration, including a number of country case studies, highlighted the key operational problems encountered when applying the principle of ownership to varying contexts:

All the partner country evaluations indicate a strengthening of national development policies and strategies since 2005, providing a stronger base for ownership. Yet even the countries with the most experience face difficulties in translating these national strategies into sector strategies and operational and decentralised programmes, and in coordinating donors. So while national ownership is strong in these countries, it is also narrow. In practice, it remains

heavily weighted in favour of central government players rather than provincial and local authorities, even in fields that are supposed to be devolved. The ownership situation also varies across sectors, with sectors such as education, health, energy and infrastructure remaining primarily government-led, while civil society and marginalised groups find greater space for partnership in cross-sector and humanitarian areas of cooperation and development. Since 2005, all the donors evaluated have taken further steps to acknowledge the importance of partner country ownership and to ensure that it is respected in practice. At the same time, most donors' own political and administrative systems are found to set differing limits on their actual behaviour to support country ownership (Wood et al 2008).

The Accra Agenda for Action, adopted at a High Level Forum in September 2008, therefore put increasing emphasis on strengthening country ownership over development, by committing central governments and donors to include parliaments, local authorities, and civil society groups in the discussions on national development policies.

Problematizing of the application of these principles

The case studies showed that the principle of democratic ownership is problematic in application for a number of reasons.

- Broad-based consultations and parliamentary approval are feasible only at the level of major national development policies, but certainly not at individual project or programme level.
- Too often, parliaments have not yet matured into robust representative bodies, and MPs often do not reflect the interests of their constituents but rather those of their political party bosses. In these circumstances parliamentary approval cannot be construed as 'democratic ownership' in substantial terms, only in form.
- While not impossible, broad-based consultations that would amount to something approaching broad-based societal ownership are extremely difficult, time consuming, and costly to implement outside a fully-functioning mature democratic political process. They are certainly not feasible except at the level of overarching development strategies.
- There appears to be an inevitable conflict, on the one hand, between donors' pursuit of democratic ownership in a country where its leadership is either not democratically elected (few of those countries are not aid recipients), or whose democratic institutions are not yet robust and fully representative, and the prospect of success, on the other. If operating within the institutions and defined country (political) systems, donors may be accused of neglecting the people who are not properly represented. On the other hand, if attempting to assess needs beyond the country's existing political processes, donors might be accused of arrogance and interference in internal affairs.
- While the inclusion of civil society does expand the consultative process to take account of broader societal interests, caution is needed. With few exceptions, NGO officials are not elected by those they purport to represent, nor are they representative of broad constituencies. Sometimes, they address and promote single issues only to the detriment of other equally relevant development objectives.

Lessons learned

While it is questionable whether all principles of the Paris Declaration – especially those of democratic ownership and alignment (i.e. implementation through national systems) – should be applied to programmes and projects, there are at least two reasons why these concepts cannot be ignored within these aid formats. First, substantial amounts of ODA are still delivered through programmes and projects. Second, it is precisely at this level that ownership might actually stand a realistic chance of being turned into practice: programmes and projects have a relatively well defined focus in terms of duration, location, and objectives, all of which seem to lend themselves better to inclusive consultations with stakeholders than broad, national macro-level policies, where such consultations present a much greater challenge.

Should ownership be pursued at the level of implementation, and if so, should commitment to the broader goals and policies of the project be sought, or should more direct control over the processes and outcomes take precedence, as observed in the literature on ownership? The main findings from the case studies can be summarised as follows:

- The four projects exhibit different degrees of ownership, but the link seems tenuous between the degree of ownership, on the one hand, and the success of the project in terms of achieving the immediate outcomes and objectives, on the other, at least in the short to medium term (Mozambique). Projects were successful in their own right, while observing only some of the Paris principles, and to varying extent. The project in Serbia is a good example of how success seems to result from good project design and management, not ownership as understood by the Paris Declaration.
- While ownership is generally understood to evolve over time, i.e. through the progressive inclusion of all stakeholders in broad consultative processes, the studies show that ownership can easily be lost. From the Nepalese case study we learned that an otherwise positive consultative process fell apart with the change of personnel in the key stakeholder institution, resulting immediately in a drain of buy-in and positive momentum. By contrast, in the Mozambique case study we found that a donor-driven and an otherwise imperfect consultative process, led to ownership 'later on', as the stakeholders were convinced by the benefits resulting from the project.
- The notion of ownership, and its importance for the success of interventions, was present in the consciousness of donors and the implementing agencies alike. Formalised guidelines on the application of the ownership principle did not exist at the implementation stage. However, when prompted, all the implementers were able to explain what it meant. Unsurprisingly, the level of understanding differed from one case to another, reflecting the uneven theoretical foundations of the issue.
- In three of the four projects, also unsurprisingly, there was tension between the way in which expatriates (donors and representatives of implementing agencies) approached the issue, on the one hand, and how local people felt about it, on the other. This tension formed the basis of the diverging views regarding the success of interventions, as observed in Mozambique.
- At the core of the wide gamut of accusations levelled against the donors and the implementing agencies was the perceived lack of consultation about the proposed

course of action, resulting in projects not having undertaken all stipulated activities, and at a higher cost than had the projects been implemented locally (i.e. using local experts as opposed to expatriate staff, etc.), such as in Zambia.

- The questions arising from these experiences are: who is a legitimate stakeholder? What implications does the definition of stakeholder have, at the practical level, for the implementation of the consensus of ‘democratic ownership’ set forth in the Accra Agenda for Action? The stakeholder question might differ from issue to issue but in the case of corruption (and anti-corruption projects) it is difficult to see how democratic ownership can be taken forward in a meaningful way at the grassroots level where almost everybody is likely to have strong feelings and views that are not always supported by evidence and a sufficient understanding of the problem.² This dilemma has to be taken into account during the needs assessment processes at the planning stages of projects and programmes.
- The application of the ownership principle appears fraught with difficulties at programme and project levels. Broad-based consultations that are called for in the Accra Agenda for Action are based on the assumption that aid interventions need to be designed in close consultations with civil society, parliament, etc. In the case of civil society, this should be qualified by a statement of the obvious: NGOs as a segment of civil society are in many developing countries part of the elite, and hence there are concerns about their legitimacy. Beyond consultations with NGOs, in the case of anti-corruption interventions of a technical nature the constraints are severe, because it is difficult to consult every potential stakeholder for each and every project on specific technical aspects unrelated to programme design and strategic concerns.
- With regard to national parliaments, a number of questions arise. Parliamentarians often lack the capacity to work on technical documents and are often bound by strict political party discipline (which is an argument for including parties as stakeholders). But the question is also how practical it is to require the approval of projects by MPs, and indeed whether parliamentarians should deal with individual interventions. In other words, what is the division of responsibility between the executive and the legislature?
- Implementation through country systems to ensure alignment and ownership is problematic in systems that are not fully developed and thus not fully reliable. If implementation means not only carrying out activities, but also responsibility for administrative and financial management, it will inevitably add to the burden of recipient institutions. The views regarding the necessary degree of partner involvement in implementation varied widely. While the project counterparts in Serbia were grateful for not having to shoulder the burden of administration and financial management, the Zambian view was that responsibility for both was a precondition for genuine domestic ownership.

- The tensions between recipient country ownership, on the one hand, and the donor country’s responsibility to its own citizens and taxpayers at home, on the other, has been highlighted elsewhere, but appears to have been reconfirmed by this limited study.

Conclusion

It emerged from the case studies that the unfashionable anti-corruption project can achieve ownership, and indeed achieve its objectives, even in the most adverse circumstances. Anti-corruption campaigners, domestically and internationally, need to acknowledge success and build on it, rather than bemoaning failure. This research project has shown that ownership does matter, but that we are referring to the ownership by the key insiders: those who have been responsible for effective implementation, and those who draw direct and immediate benefit from the projects. Broad-based ownership, and ultimately sustainability, may emerge at a later stage if and when the projects are successful and generate positive benefits in terms of impact, or reputational or political gains.

Ownership, as advocated by the Paris Declaration – and even more so by the Accra Agenda – is neither feasible, nor necessarily advisable in many cases. The case studies

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we present indicate that the need for ‘broad-based consultations’ as spelled out in the Paris Declaration and the Accra Agenda should not be the top priority. We find this to be the case for both nation-wide consultations, as well as for inclusive processes in the

context of the projects: The inclusion of “all the relevant stakeholders” does not necessarily yield the rewards that are set out in the Paris Declaration and the Accra Agenda.

By adhering literally to the documents, we might inadvertently encounter perverse situations where weak civil society organisations and an indifferent executive and legislature are engaged as ‘key stakeholders’. Consulting counterparts of such deficient calibre would not be a good basis for producing ownership of the detailed implementation of aid-financed projects. The needs and interests of all must obviously be taken into account. But it would hardly be in the interest of legitimate ownership to add parties who are simply out to control the reform process, and/or to skim off resources, and/or who lack the capacity to work on technical documents, or are at the mercy of particular interests. Such ‘inclusiveness’ would rather be a perversion of ownership and counterproductive in terms of aid effectiveness. In such circumstances, it would probably be better to leave the playing field to a group of key professional insiders who have a stake in positive outcomes.

A key question is whether anti-corruption projects can ever be truly ‘owned’ in the limited sense of government ownership. This has to do with the nature of corruption and the interests at stake. Political will has long been acknowledged as one of the key preconditions for successfully fighting corruption. Without political will, reforms (which are a technocratic answer) are bound to fail. Yet, reforms will, if successful, remove the gains made from corruption by the ruling elites. Thus, such measures presuppose a political will to forego gains, privileges, and influence. It is difficult to imagine how and why political

elites would voluntarily relinquish such advantages. It would thus seem that political ownership of anti-corruption projects is an elusive objective to pursue as it might mean the reduction of opportunities for political elites to secure wealth or influence through corrupt practices. The elites would have no incentive to own projects that, if successfully implemented, would run contrary to their material and political interests.

Ownership is in most instances taken to mean domestic ownership. However, we see a need for a more dynamic use of the term. The cases highlight that ownership is not something one is given. The Serbian case shows that ownership evolves over time as the partners develop trust and create results together. Ownership can therefore be shared, also with international consultancy companies which are often considered profit-seeking entities only. Throughout the project cycle ownership may also change hands, often several times, but as indicated earlier, the key ingredient of long-term sustainability is something as mundane as the results produced by the project.

While other aid modalities have become more fashionable than the project approach, we hold that projects will remain a mode of aid delivery of considerable importance as long as donors provide technical assistance to improve local capacities and performance. From this study, we conclude that every effort should be made to create a viable platform from which national actors can take responsibility, and freely exercise ownership and leadership in practice. The challenge is to strengthen the position of the recipient by forging strong partnerships with donors and contractors and to foster a culture of delivery. Towards that end, we should promote joint (donor/implementer–stakeholder, inside and outside of government) rather than exclusive executive ownership. This can best be expressed as true partnership.

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Endnotes

1. These case studies were originally commissioned as part of a U4 research focus on the effective implementation of anti-corruption projects involving the private sector. The projects were reviewed by national (Zambia, Nepal) and expatriate

(Mozambique, Serbia) case study writers, who screened relevant project documentation, conducted semi-structured interviews with stakeholders (donors, implementers, partners, direct and indirect beneficiaries, peers) along a set questionnaire that was the same for all four cases, and through contacts with donor agencies at headquarter level. For a thorough analysis of the projects see: <http://www.u4.no/themes/private-sector>

2. A full discussion of this problem is not possible within the scope of this Practice Insight, but it is well documented in anti-corruption research that public awareness of the nature of corruption and means to combat it is typically very low. There are numerous examples of public opinion surveys demonstrating that even large majorities of citizens confuse corruption with fundamental free market principles (such as the increased price of flowers during holidays, when demand is higher), and widespread ignorance of the importance of preventive anti-corruption measures. See, for example, Krastev, I 2004. *Shifting Obsessions: Three Essays on the Politics of Anti-corruption*. CEU Press, 2004.

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Abstract

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