

**Country Programmable Aid: Differences, Divergences and Contradictions between Donor Aid
Strategies and Beneficiary Country Development Plans**

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Alexander O'Riordan
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Abstract

Aid has a significant impact on governance and public spending in sub-Saharan Africa. In Mozambique (amongst others) aid accounts for more public spending than domestic revenues do. Even in countries less dependent on aid, international donors influence policy making by investing in a technical competitive advantage over domestic policy makers in sectors ranging from climate financing to resilience and public financial management. This doubly affects South Africa both because South Africa is a large recipient of international donor aid and because South Africa is an international donor in its own right in sub-Saharan Africa.

The problem is that how international donors set their priorities and allocate their aid at country level is not sufficiently answered in the literature. International donors are seen by many as unpredictable even though they have an outsized influence on domestic policy and spending and are not accountable to the sub-Saharan voters. This research project contributes to the literature on the political economy of donor allocations of aid in sub-Saharan Africa.

The research approach focuses on country programmable aid, EU joint programming and donor country strategy papers. The foundation is comparing and contrasting international donors stated policies on 'country programmable aid' with what transpires in practice. Key entry points were the relationship between donor country strategies and the beneficiary country's national development plan, and the extent to which donors made use of political economy and or context analysis and analysis of sector strategies. The key findings are that there are (and what might even be predictable) patterns in how donors programme their aid at country level, not explained by the particular context nor accounted for in the beneficiary country's national development plan. These patterns relate to a tendency to decontextualize aid programming accompanied with a narrative of donor moral and technological superiority and unrealistic programming objectives. The finding is important because it implies that these patterns result from implicit rules governing how international donors allocate aid, thus making them predictable features of an aid relationship, wanted or unwanted consequences of giving aid.

1. Introduction, Literature and Methodology

1.0 Introduction

Since graduating with my masters' degree in the social sciences in 1999, I have been working for the European Union (EU), United Nations (UN) and Governments of Ethiopia and Kenya on allocating aid and development assistance largely in sub-Saharan Africa but also in other parts of the world. By aid/development (assistance) I mean Official Development Assistance (ODA) granted by government organisations such as the EU and its member states to other governments and non-state actors in beneficiary countries. This doctoral research focuses on a subset of ODA commonly referred to as *country programmable aid*. Country programmable aid is donor financial aid provided on a country by country basis that is meant to be contextualised and refined to the specific beneficiary country needs. This drive to contextualise aid to the beneficiary country's need and political economy goes back to at least 1957 (Carbone 2008: 219) and, as such, represents a five decade old donor project of trying to improve beneficiary government ownership¹ of aid programmed at country level. One of the key drivers of country programmable aid was for donors to demonstrate that they were replacing donor driven solutions with support to beneficiary led developmental processes.

In 1957 when this all started, it may have been a technical and administrative challenge to identify what the beneficiary government's development policies are so that donors could support them. However, today, sixty-nine (IMF: 2015) developing countries have multi-annual, medium term national development plans typically based on the widely consulted *Poverty Reduction Strategy Paper* approaches, that gained acceptance in the late 1990s (Gould and Ojanen 2003). On paper, then, it would appear a relatively simple exercise for donors to use their country programmable aid to directly support the beneficiary government's national development or poverty reduction plan. Understandably, donors would need time to wind down legacy programming that may have predated the development of beneficiary country plans. There would also be cases in which beneficiary governments might not consult or get donor input to their plans and donors might

¹ Whitfield (2008) raises important questions about what donors actually mean when they talk about ownership, pointing out that ownership is often cited as lacking when it may actually relate to an unwillingness to take ownership of what is perceived to be an agenda set by donors. Whilst a compelling avenue for exploration this research focuses not on whether partner government officials actually have ownership over stated policies embedded in national development plans but rather on the extent to which donors support these national development plans in line with their own commitments to do so.

argue that donor driven solutions should have primacy over the beneficiary's. Over time, though, one would expect that donor's country programmable aid strategies would come to mimic, if not entirely replicate the beneficiary country's development plans as stated in donor's own policies.

After working with donors on allocating aid in over thirty different countries, however, I noted that regardless the country context or specific challenges, there is a recurring pattern to how development assistance is planned and allocated. I observed that this pattern recurred in country programmable aid and did not appear to originate in the beneficiary country's own plans. I thus hypothesised that the pattern might be an indicator of some of the unspoken or unintended consequences of donor aid. Although alluded to in the literature² in various shapes or forms, I did not find a satisfactory explanation or analysis of this pattern thus prompting me to investigate it further and propose its study as the focus of this doctoral research.

Loosely speaking the pattern relates to how aid identifies 'needs' through a process that is accompanied by problematizing beneficiaries and in particular beneficiary country government officials. Central to this process of designating a 'need', is a donor justified call for action that creates a narrative positioning beneficiary government officials as either unable or unwilling to act on behalf of the poor. The rationale is structures along the lines that donors are compelled, themselves, to act and speak (and make funding decisions) on behalf of the beneficiaries. This act of 'speaking on behalf of others' appears to be accompanied with a moral imperative and emphasis on new technologies.

The doctoral research proposed was to investigate whether the pattern is a symptom of an internal logic in development itself. In this regard, I focus on what appear to implicit rules that govern how development resources are allocated regardless the beneficiary country context. This research draws heavily on my professional experience in terms of framing the research question. However, in order to produce a research study that is verifiable, the research focused primarily on data publically accessible. In this regard, the core of the research is contrasting donors stated policy objectives with what transpires in practice in donors own publically available country strategies. This research was largely made possible by way of the growing international consensus on the need

² See sections below particularly the work of Escobar, Ferguson, Mosse, etc.

for donors to use their aid in direct support of beneficiary country development plans or Poverty Reduction Strategy Papers (PRSPs). By comparing and contrasting donor strategies with the beneficiary country national development plans (strategies), the research was able to uncover what appear to be predictable, albeit implicit donor rules that explain how donors will deviate from their own stated policy objectives in programming aid at country levels.

The research approach covers three beneficiary country and donor specific case studies, the rationale for which is explained in the section 1.4 below. The first and largest case study is on South Africa as an emerging donor. South Africa as a donor is reviewed first and in most detail because as an emerging and African donor that specifically eschews 'problematic traditional donor' behaviour it provided a unique opportunity to look at how aid is allocated when a donor has no legacy programming, colonial or cold war history that could potentially shape decision making. The second case study is on the United States of America and its financing HIV/AIDS programming in Namibia. This case study allowed an intimate perspective on how the world's biggest bilateral donor allocates aid at the country level and how it impacts the actual spend on project activities (in this case HIV/AIDS). The third case study is on the European Union and the European Union Member States in South Sudan which again provided a rich experience because with South Sudan being a new country there was no legacy development programming (although emergency and humanitarian activities were ongoing) in place when these donors designed their country strategy. A chapter follows, comparing the case study findings with Bangladesh, Palestine, Ethiopia and Mozambique in a bid to reduce the risk that some of the findings are geographically or country specific coincidences. This comparator chapter also includes a review of the dominant international policy themes emerging in the post-2015 development debate and what they imply for the findings. The research concludes by reflecting on the findings and their potential contribution to the literature and the field.

1.1 Literature Review and Rationale

In sub-Saharan Africa, international development³ has become pervasive in the public space with debates on governance and sovereignty at the national level often made in reference to a donor driven and donor financed narrative. Despite the 2007 financial crisis, international official development assistance (ODA) is still one of Africa's fastest growing industries (recently as much as 16% annually⁴). While there is pressure to decrease overall aid budgets, there is apparently more pressure to redirect funds from middle income countries like China and Brazil to Africa meaning ODA will likely continue to grow for the foreseeable future. In some countries like Ethiopia and Mozambique, ODA has become larger than the resources of sovereign governments. Better understanding how international development assistance works is thus important to understanding public administration, resource allocations and governance in Africa particularly to the extent that aid produces something other than called for in beneficiary government development plans.

This literature review first explains what the literature says about the current state of aid and particularly the donor shift to ex-ante country programmed aid that claims to support beneficiary government development plans. This section then looks at what the literature says about how donors justify allocating aid post-Cold War. The literature review then covers some of the prominent analysis and critiques that focus on when aid does not deliver on its stated objective and/or produces something other than what is explicit in the stated objectives. This is followed with an introduction of what the literature says about aid as a mechanism or machine that both services policy but also becomes more than the sum of the policy objectives, often being referred to as something that has a life of its own. Finally, the literature review touches on the data on aid and public spending in a selection of sub-Saharan African countries covering the period immediately before and after the 2007 global financial crisis. This data analysis draws attention to the importance of aid to public sector governance in sub-Saharan Africa.

³ What I mean by international development is "official development assistance" which is essentially cooperation financed by government organisations in support of developing country governments and non-state actors at the national level. This does not include global instruments such as the Global Environment Facility, private philanthropy or lending amongst others.

⁴ OECD.org DAC aid statistics; disbursements between 2002 and 2009. See end of proposal for more details.

Donor Justifications of Financial Allocations to Beneficiary Countries

Aid as a stand-alone objective with dedicated financial allocations from donors emerged most clearly after the end of the Cold War'. In many ways before the Cold War ended, aid was justified as an investment in shoring up strategic geo-political interests and continued influence in the former colonies. In the late 1990s, following a period of post-Cold War 'aid fatigue', there was a paradigm shift that focused on justifying in terms of its value to the beneficiaries. In this period the global discourse surrounding aid was repackaged as concentrating on a globally recognisable and common set of priorities that essentially spoke to combatting or eradicating poverty. In 2000, under the stewardship of the United Nations, this focus on poverty alleviation was elaborated into a global and structured narrative with the universal adoption of *The Millennium Development Goals*⁵ (MDGs). In 2015 these goals were updated with the *Sustainable Development Goals* "end poverty, protect the planet, and ensure prosperity for all" (UN 2015b: Introduction Page not numbered) that expand the reach of aid to seventeen goals (up from eight MDGs) and now one hundred and sixty-nine performance areas.

The post-Cold War period's new rationale for aid, however, only accompanied a much bigger structural change in the winding down of Socialist economies. The sweeping liberalisation of formally closed economies created vast opportunities and threats for the same Western countries that finance the bulk of global aid budgets. As countries liberalised, trade barriers came down, production, industrial activities, services and other value adding processes were increasingly dispersed globally between developed and developing countries, former Western allies and former Western foes. Increasingly complicated and unprecedented acceleration in cross-border relationships including the emergence of newly powerful regional blocks, trade and security partnerships created considerable pressure to update the dominant aid framework to the new global context. This pressure translated into concerted effort to rationalise the increasing interactions between countries of disparate levels of development as a 'partnership' and to ensure that the voice and space for aid was better protected from accusations of undue influence. In this changing relationship aid was reconstituted around development themes, most notably poverty alleviation, responsible and sustainable development.

⁵ <https://www.un.org/millenniumgoals>: all 189 members of the UN at the time signed the MDGs.

In light of the changing global context, the late 1990s witnessed a paradigm shift in the way donors engineered their aid programmes. The narrative of aid being primarily about responding to needs or emergencies steadily gave way to aid as support to medium term development plans. This fundamentally meant that more and more aid allocations were justified on an *ex ante* basis. The move to ex-ante programming meant that donors now justified making multi-year financial allocations to beneficiary countries *before* specifying what particular project would be financed. Ex ante programming transformed and is still transforming aid from piece-meal project responses to centrally planned integrated and national level interventions. This shift was given a more definitive voice with the World Bank study, *Assessing Aid* in 1998 and greater institutional and organisational resources with the 1999 *Highly Indebted Poor Countries* (HIPC) debt reduction initiative, the *Poverty Reduction Strategy Papers* (PRSPs) framework also in 1999, and the *Millennium Development Goals* (MDGs) in 2000. Aid post 2000 now operates in a structurally different reality in which it is no longer defined as being a reactive or response based approach but rather framed as being forward looking and planned⁶. The post-2000 development narrative focused on aid structurally channelled through and/or aligned with beneficiary country national medium term development plans or PRSPs and long-term international development targets (the MDGs).

This change to aid as something planned and intended also makes possible this doctoral research (explained more in detail later in this chapter). Before aid was planned in advance, it would be too easy to dismiss unintended or unstated outcomes of aid as simply being about difficulties and unexpected challenges of working in a foreign and formally unknown context. With aid shifting to an *ex ante* approach, this research is able to ask whether there is evidence of these unintended outcomes in the planning process? If indeed there is evidence that these outcomes result from the planning process and not from implementation, then this research is able to ask if the unintended consequences of aid are more about the political economy governing donor decisions than the challenges experienced in implementation itself?

⁶ This move to aid as planned is seen by the likes of Easterley and Moyo as one of the primary impediments to the effectiveness of aid in alleviating poverty (see sections that follow).

The shift to aid as something programmed and justified by the beneficiary country's needs was accompanied by a surge of literature and analysis trying to explain or give reason to how aid is allocated and for what purposes in beneficiary countries⁷. The majority of the literature focuses on how donors justify their aid allocations after the end of the Cold War by comparing aid allocations in the 1980s to those in the 1990s. During the Cold War, aid appeared to be motivated primarily by political, security and related strategic interests. Donors also spent considerably more in small countries in what appears to be a decisive strategy to buy influence. One of the assumptions appears to be that aid goes a long way to buying allegiances (i.e. votes in international forums and organisations such as the United Nations) in smaller countries (Stone 2006) with much being made of voting patterns of smaller Pacific and Caribbean countries. A widely cited body of literature thus emerged demonstrating a strong correlation between aid, military assistance and UN voting patterns by beneficiary countries (Alesina and Dollar 2000, Bermeo 2008, Dollar and Levin 2006). This positing of aid as being about geo-political interests was complemented with disproportionately large investments in historical partnerships, such as between nations with former colony status and their former colonisers.

After the Cold War, the apparent lack of a compelling narrative to continue funding international aid combined with uncertainty about the future role of aid saw donor spending progressively decline, bottoming out in the late nineties (see chart below). By 2001, however, the new global narrative compelling donors to eradicate poverty combined with the means to make *ex ante* financial allocations accompanied the beginning of a new era in increased spending on aid. As the chart below shows, since hitting a low in the late 1990s of less than \$70 billion, donor spending on aid almost doubled in real 2009 dollar values to over \$130 billion by 2010.

⁷ See Alesina and Dollar (2000), Burnside and Dollar (2000a), Burnside and Dollar (2000b), Burnside and Dollar (2004), Collier and Dollar (2000), Berthelemy and Tichit (2004), Berthélemy (2006a), Berthélemy (2006b), Roodman (2005), Sundberg and Gelb (2006a), Sundberg, and Gelb (2006b), Dollar and Levin (2006), Easterly (2007), Woods (2005).

Official Development Assistance Disbursements in Real Terms and as Percentage of Gross National Income



Source: OECD.org

Before the end of the Cold War, there is little evidence in the literature that traditional donors accompanied aid with a focus on good governance or corruption to the extent they do today. However, since the 1990s the literature shows a growing correlation between aid allocations and spending on political institutions and good governance. The US in particular transformed its narrative around aid to strongly emphasise how aid was justified by democracy and democratisation (Dollar and Levin 2006). The small country and colonial bias of the Cold War also appears to be emphasised less in donor decision-making. The EU's latest consultations (EU 2015), for example, on aid to its former colonies⁸ makes concerted effort to move beyond a 'post-colonial' narrative. Donors now also focus on beneficiaries in close geographic proximity (Bermeo 2008),

⁸ The European Union and African, Caribbean and Pacific countries have a broad development, trade and political agreement called the *Cotonou Partnership Agreement*. This agreement expires in 2020 but consultations on the successor agreement were launched in 2015.

such as in Eastern Europe and the Caucasus for the EU, Mexico, Central America and the Caribbean for the US, the Pacific for Australia. Economic criteria also grew in importance with donors allocating more aid to countries with higher growth rates and where they had greater interests in sustaining and expanding bilateral trade (Berthelemy and Tichit 2004). Whilst there is no definitive evidence to the contrary, there is a notable lack of evidence showing that donors placed greater emphasis on recipient need in the 1990s despite their professed commitment to poverty alleviation (Dollar and Levin (2006)) Although some analysts find signs that that aid in the 1990s became more reactive to levels of poverty (Claessens, Cassimon and Van Campenhout 2009) others contend that during the Cold War poorer nations actually received more aid (Bermeo 2008). Whilst the lack of definitive evidence in the literature may make this issue ripe for debate, it is important to note that the OECD (2013) analysis on aid spending definitively shows how donor behaviour does not follow donor policy in this space, with the 2013 survey on aid spending bemoaning the fact that “aid to poor countries slipped further... [accompanied by] a shift in aid towards middle income countries” (OECD 2013b).

Donor Narrative Justifying Aid Allocations

The literature draws attention to limitations in making universal assumptions about how different donor countries justify their aid. However, it also provides sufficient evidence that post-Cold War aid was justified by donors in reference to the following criteria four criteria that speak directly to the need of beneficiary countries: poverty levels, economic growth rates, governance and social policy. Additionally, donors tend to also justify their aid allocations by appealing to the importance of bilateral trade and cultural/historical ties, criteria which the likes of Berthélemy (2006a) point are clearly more about self-interest or at least mutual interest and not purely beneficiary need. The literature shows that in some shape or form most DAC (i.e. members of the OECD’s Development Assistance Committee) donors use or speak to these criteria in justifying both how much aid allocate and in creating a narrative or imperative to act.

The need of the recipient country typically measured as Gross Domestic Product per capita is the most commonly cited justification for donors allocating aid. The literature shows that aid spending is negatively correlated with income per capita (Bandyopadhyay and Wall 2006). Berthelemy and Tichit (2004) calculated that, in general, an increase of the recipient’s GDP per capita by \$100 will

reduce aid on average by \$1.20 per capita. There was a renewed consensus at the end of the 1990s that aid should go to those countries most in need with poverty alleviation being the primary goal. Perhaps as a result from the 1990s to the early 2000s, European donors largely formalised the use of poverty selectivity as the basis for selecting beneficiary countries (Dollar and Levin 2006). However, the OECD (2013b) surveys and analysis on donor spending paints a more nuanced picture: whilst it is true that donors have spent more on countries worst affected by poverty, they in fact are increasingly shifting their spending to “middle income countries” at a higher rate. The data does not prove the literature incorrect because funding to low income countries is still growing but it does point to a gap in the literature on how aid spending also shows a donor preference for spending in middle income countries like South Africa, Brazil and China that are in fact already donors in their own right.

In terms of economic performance, a growth rate increase of 1% is associated with an accordant increase in aid by \$0.50 per capita, whilst 1% increase in FDI flows is accompanied by an increase in aid of \$1.20 per capita (Berthelemy and Tichit 2004). Whilst the jury is out about whether aid contributes to economic growth or not, the narrative that donors deploy around justifying their aid implies that donors are more likely to allocate funding to a developing country that is growing and better integrating into the international economy than not.

One area in which the literature implies that donor allocations of aid are consistent with donor stated policies are in relation to governance and social policy. Countries ranking higher on civil liberty and political freedom indices generally receive more aid, especially with regard to aid from the US and the UK. Similarly, countries with good social policy particularly around health (particularly infant mortality) and education (primary school enrolment) tend to attract more aid. Declining infant mortality rates are correlated with greater aid spending: Berthelemy and Tichit (2004) found that, a decrease in infant mortality by 10% is associated with aid increasing by \$1.20 per capita. Primary school enrolment is also positively correlated with aid, but less significant than infant mortality.

In terms of the remaining ‘self-interested’ criteria, Berthelemy and Tichit (2004) also found a positive and significant correlation in that an increase of \$100 million in bilateral trade is

associated to aid increasing on average by \$0.04 per capita. Additionally, and unsurprisingly Berthelemy and Tichit (2004) also found that former colonies get outside aid allocations from most European donors and the UK and France in particular: France and the UK give an additional \$12 per capita and \$5 per capita to former colonies over other beneficiary countries respectively. Bermeo 2008 makes a compelling argument that a large justification for the extra allocations of aid to former colonies are part of a bid to stem the tide of migration. In fact, this argument has echoes today with the UK for example, pledging increased aid (Wright 2015) to Lebanon, Jordan and Turkey as part of a drive to reduce the flow of Syrian refugees into Europe.

Whether a donor chooses to allocate aid based on good governance or economic performance, the decision ultimately appears to be driven by the interests the donor country has in the beneficiary's development. The indications are that aid spending continues to be guided by political and economic strategies despite donors invoking a post-Cold War rhetoric that posits aid as being about a moral imperative to reduce poverty.

Political Implications

Reading the literature through a political lens, it emerges that with the end of the Cold War, advanced Western/traditional donors sought to maintain their foothold and influence in the developing world through redefining aid. To do so required a transition from a Cold War narrative that largely argued for funding and investing in allies to shore up 'democratic' states in the 'fight against Communism'. In a post-Cold War and post-colonial era, the plain faced justification of political interest gave way to a focus on poverty. The globally held aspiration to eradicate poverty thus became the most commonly referred justification for international development cooperation with the underlying assumption that by financing development abroad, donors can demonstrate the value of a Western economic and governance model to the global poor.

In order to be credible, the 'war on poverty' needed to guard against accusations that it was simply masking colonial or imperial interests. The literature reviewed above concludes that OECD donors have developed a working matrix of purported objective justifications that allows them to assert that they finance development cooperation where:

- 1.) There is a demonstrable real need (poverty indicator),

- 2.) Donor aid can get a return for the poor (through good governance and sound policies), and
- 3.) Donors can contribute to a virtuous cycle of expanded social spending in the context of sustained economic growth.

These principles, then, are tweaked to allow for cultural and historic ties that enable OECD donors to justify special relationships with ex-colonies and/or neighbours such as Mexico and Central America for the US or Africa, the Baltic and Eastern European for the EU. Furthermore, being able to lean on objective criteria for allocating development financing is also deployed in justifying budgetary allocations in donor legislatures where such spending is easily criticised.

Navigating the Literature on Improving and/or Dismissing the Relevance of Aid as a Project Primarily focused on or Useful to Poverty Alleviation

“This is the tragedy in which the West spent \$2.3 trillion on foreign aid over the last five decades and still had not managed to get twelve-cent medicines to children to prevent half of all malaria deaths. The West spent \$2.3 trillion and still had not managed to get four-dollar bed nets to poor families. The West spent \$2.3 trillion and still had not managed to get three dollars to each new mother to prevent five million child deaths.”

Easterly (2006:14/15) introduction to *White Man's Burden*

In the aid and development space a literature review cannot reasonably be done without acknowledging that an enormous amount of money is being spent on improving the effectiveness of aid thus also contributing to a literature that has a foot both in the academy and in the donor organisations. Much of the literature used in this dissertation and indeed in the field of development studies is written by researchers that are part of or related to a global project that strives to improve the effectiveness of aid in terms of how it delivers on its stated objective of alleviating poverty. In this space, there are significant financial and intellectual resources invested by donors (e.g. the World Bank Institute), international philanthropies (e.g. the Gates and Ford Foundations) and aid organisations (e.g. Oxfam) in research on improving aid. Jeffrey Sachs, for example, both critiques the aid industry and works on trying to improve the effectiveness of aid programmed through the United Nations⁹. Dambiso Moyo consulted to the World Bank and William (Bill) Easterly worked at the World Bank for over a decade before establishing New York University's *Development Research Unit*¹⁰, also committed to improving poverty alleviation

⁹ See Jeffrey Sachs' work on the Millennium villages: <http://millenniumvillages.org/>

¹⁰ <http://www.nyudri.org/>

practices globally. The critical research done by these analysts contributes to a larger project targeted at reforming and improving how donors approach aid and what constitutes successful or unsuccessful aid. This project is one that clearly contextualises critical analysis within a broader narrative that posits aid as a 'force for good' and the research as serving to improve the effectiveness of aid (or at least recognising how aid practices need reform). In this context, analysis focuses on the appropriateness of policy or practice. Presuming development is a force for good frames negative results as failures to be rectified (Easterly 2002, 2004, 2006, Moyo 2010, etc.). Moyo (2010) for example, argues aid is a failure insofar as she wants to demonstrate the evidence and argue that beneficiary countries are more so better positioned to drive their own development than donors are. Easterly similarly (2002) argues that aid could be improved by donors focusing less on planning aid outside of a real world context and more on supporting home grown (partner country owned) solutions and success stories. As Easterly concludes in *White Man's Burden* (2006:226), "donors [tend to] bypass success stories because those countries" that are already on a good growth path do not attract the level of attention that countries perceived as disasters do. Jeffrey Sachs (2005) in his *The End of Poverty* opts for a slightly different approach and advocates for better and more sophisticated planning of aid itself as the primary means to alleviating poverty. Sachs' approach gained a lot of high level donor attention, being translated into a global integrated rural development initiative, the "Millennium Villages"¹¹. The debate on how best to improve aid continues with marked and often pointed exchanges such as with Sachs (2006) accusing Easterly of brushing over how "neglectful" donor aid management practices undermine poverty alleviation. Equally, Easterly (2007b) asserts that aid planned by experts like Sachs only demonstrate a "remarkable naiveté" on how much is presumed about what can be achieved in foreign aid interventions. Similarly, researchers such as Chin and Quadir (2012) put forward the notion that OECD "officials in Paris" determine what constitutes effective aid and thus failures to meet these publicly stated ambitions is a measure "of breakdown in the established global aid regime" and thus an entry point to critique aid as failing in its stated objectives. The debate on how to improve aid continues to this day with contrasting perspectives contributing to the literature and the field but no definitive answer presenting itself yet.

¹¹ Ibid.

A related but different body of literature is associated with broader politically aligned projects that critique the developed world's influence on global politics through aid. International aid is seen as evidencing a global project that is inherently negative or self-serving and not much more than an extension of prevailing geo-politics. This body of analysis effectively frames aid as a project of "the un-self-reflexive faith in the winning virtues of the West" (Sylvester 1999: 705 but also in the same space Escobar 1995 and Ferguson 2006) or as an extension of capitalism rooted in modernist theory (e.g. Zizek 2008 and Campbell et al. 2010). These analyses tacitly accuse aid and international development as being the extension of a post-colonial, modernising and/or capitalist project that is variably unwanted but always at the service of Western interests.

Both of these perspectives share the presumption that international development is a mixture of policy and results that need to be addressed, refined or challenged. For Easterly (2002, 2004) and Moyo (2010), development policy and practice is to be improved to better help the poor. For Zizek (2008), development is an extension of a post-political bio-politics grounded in capitalist self-interest.

Both approaches speak to important projects in their own right. For the purpose of this doctoral research, however, whilst contributing a significant analytic framework they also draw attention to a gap between the two bodies of literature. Both approaches, for example, problematize government officials: whether they be donor aid policy makers designing substandard projects or beneficiary country government officials that are unable to set the developmental agenda and assert their lead in donor financed aid. In both cases the research speaks equally to officials and policy makers as having a problem that needs fixing. The gap that presents itself relates to asking what aid looks like outside of the presumption that donor or partner government officials should behave differently. What would an analysis look like that takes cognisance of the findings of these projects but does not package them as problems needing redress by either donor or beneficiary officials? Here this doctoral research aims to better sketch what aid might look like outside of a literature that focuses on wanting to fix aid or whether beneficiary countries should reject it. The opportunity, it seems, might be to navigate between these bodies of literature and ask what aid produces regardless of its' *stated* political or policy objectives. That being said, the research must closely relate to the bodies of literature albeit with some suspicion. The reason why this question is

important is because the pattern to which I referred in the introduction appears to recur both in contexts where donors are programming aid for beneficiaries that appear to be pro-Western as well as in those beneficiary countries where they appear to be hostile to Western interference. The question being asked then, is do the patterns speak to a feature of aid that recurs regardless of whether aid is a 'force for good' or a means for capitalist self-interest and whether it is predictable?

This gap is important to analyse in the 'real world' too because the arguments presented above are not as successful as researchers would like at least in terms of reforming aid. Sachs' Millennium Villages aside, critiques of aid are too easily politicised, neutralised and dismissed by the same officials that the literature hopes to change. To some extent, because it is intimately intertwined with donor country foreign policy and beneficiary country official policy, criticisms of the effectiveness of aid is often perceived correctly or incorrectly as being politically or ideologically motivated. The point of this research, then, is to try to approach the project in a way that does not lead to results that could be perceived as shaming policy makers into making aid better or admitting their self-interest. Instead the research attempts to focus on features of aid that policy makers themselves are unable to control and might themselves be unsure about what purpose it serves or impact it has, primarily because this is where the perceived gap in the literature lies. A good example of how the machinery of aid takes on a life of its own outside of the control of its very own policy makers and managers is a study the OECD Development Assistance Committee donors recently commissioned on how to improve their own results. The study found that the main reason why donors are so poor at delivering results is "a lack of institutional demand for results information for decision making and learning" (OECD 2014a) in donor's own organizations. In other words, donor officials both recognize and invest in getting better results whilst also tacitly acknowledging the reason for the lack of results is that the organizations they themselves command have no interest in results at the institutional level.

This research project, then, attempts to focus on aid as an institution and less so on aid as a collection of policy decisions (even though policy is an essential and determinant component). The research question then, is nuanced by the possibility that the patterns identified and analysed might recur even if donor policy changes. The research draws on the literature but guards against the assumption that aid is a force for good or bad. In this regard, this research hypothesizes that

when donors talk about development or aid as a 'machine' (see below) they are referring to a real institutional mechanism that produces predictable products or by-products regardless the user, context or most recent policy.

The Development 'Machine' or Mechanism

In my experience donor officials often introduce their contributions (and lack of control) to development planning in reference to "the machine" and what happens "in the house" compared to what is produced outside, or at least what is visible to stakeholders and the public. By this, officials are referring to a mix of implicit and explicit rules governing the organisation, its narrative, symbolic and disciplinary mechanisms as well as the fact that development has some aspects of a production process¹². Much like in a factory, donors manufacture a development intervention that while perhaps meeting the needs of the beneficiary, is very much shaped by the limitations, reach and strictures of the machinery used. Henry Ford once cited the limitation of his factory by telling his customers they could order a car in whatever colour they want provided it is black. In a similar sense, regardless the particular challenge, the policy or politics, if a problem is fed into this donor 'machine', 'development' as a project or intervention is produced. This does not mean all projects or interventions are the same but that a certain type of machine is only capable of producing a specific set of products. This machine as a series of explicit rules is documentable through textual exegesis in reading publically available donor rules, regulations and guidelines and in documenting how these produce policy and country strategies. The machine is alluded to in some of the ethnographic and anthropological literature on development too: Crewe and Harrison's (2002) *Whose Development*, goes a long way to documenting how seemingly 'neutral' technical agro-processing initiatives are actually embedded in a structure that replicates masculine superiority while generating a narrative that positions beneficiary cultures as the primary "barrier[s] to development" thus providing contrast to international organisations that are compelled to intervene (also see Escobar quote on following page and Olivier de Sardan's (2005:2) complain that the development "literature is the source of an endless stream of value judgements".). This research study touches on a similar line of thinking but instead of focusing on what transpires in projects and amongst practitioners rather focuses on what could be termed 'explicit rules'. By

¹² Ferguson (1990) spoke similarly of the apparent mechanistic nature of development planning in his *The Anti-Politics Machine*.

explicit rules the focus is firmly on *the stated policy objectives* of South Africa, the United States of America and the European Union in how they justify their approach to supporting beneficiary country development plans. The research works to understand the rules governing this 'machinery'¹³ thus contributing to the literature on what aid produces at project level but with a new focus on understanding how what aid produces in projects relates to what are stated and publically verifiable policy objectives.

Documenting what development donors¹⁴ produce builds on a growing body of literature (Eyben 2010, Escobar 1991, 1995, Ferguson 1990, Gould and Ojanen 2003, Hilhorst 2003, Malkki 1996, Mosse 2005a/b, Olivier de Sardan 2005, etc.) that looks at development in terms of incentives and disincentives that shape behaviour, governance and organisational culture. The use of 'incentives' and 'disincentives' is emblematic of a literature that tacitly acknowledges that aid and development is essentially produced by an administrative mechanism or machine that has rules, inputs and outputs that are very much restrained by the limits of the machine itself. These rules combined with an understanding of incentives and disincentives are the building blocks of a model that promises to predict how and why donor officials behave and spend aid monies.

The classical body of literature in this space speaks to the aid and development machine as an institution producing symbolic meaning and identity in the developing world. Escobar's (1991) analysis of aid, for example, points out that the act of problematizing others is closely related to shaping development into a "legitimate response" that enables donors to speak on behalf others.

There is also an apparent neutrality in identifying people as a "problem" without realizing....that this definition of the "problem" has already been put together in Washington or some capital city of the Third World...second, that problems are defined in such a way that some development program has to be accepted as a legitimate solution; and finally, that along with this "solution" come administrative measures that make people conform to the institution's discursive and practical universe. This effect is reinforced by the use of labels such as "small farmers," "illiterate peasants," or "pregnant women" -some of the favourite labels

¹³ The particular focus will be on the European Commission. The EC is the second largest donor to Africa (see OECD.org 2012 *Aid to Africa*) and I am well acquainted with its procedures and guidelines that are publically available.

¹⁴ Development for this proposal includes what is commonly known as aid or cooperation. While it overlaps with charity, philanthropy and humanitarian or relief efforts, this paper distinguishes development by its focus on sustainability and in its insistent conversation with and to governments.

of development institutions which not only reduce a person to a trait, turning him or her into a "case" or abnormality to be treated, but also make it possible to dissociate explanations of the "problem" from the nonpoor and to assign them to factors internal to the poor. In short, labels and institutional practices are issues of power; they are invented by institutions as part of an apparently rational process that is fundamentally political in nature.

Escobar 1991:667

Donors allocate funding in line with prescribed organisational procedures and guidelines (explicit rules) that tend to emulate widely accepted norms of 'project cycle management'. The first three stages of the project cycle (programming, identification and formulation) are documentable acts of problematizing others. The EU's (2004:17) guidelines on allocating funds to a project explain that donor officials should design projects to support "the overarching policy objective of the [EU]....and to...the real problems of target groups and beneficiaries". The EU calls for a (2004:67) "problem analysis [that] identifies the negative aspects of an existing situation and establishes the 'cause and effect' relationships between the identified problems" as the basis for allocating its financial resources *but always* after setting the agenda to ensure that aid monies pursue EU policy objectives first and foremost. As can be imagined and is explained by Escobar (above) there is always the potential for a contradiction when the needs of the beneficiary do not align with the policy objectives of the donor and their perception of what the beneficiary most needs. Much of the literature on the failures of aid points to the problem being that the incentives are aligned to ensuring that donor policy objectives win out over the needs of the beneficiary. Ferguson's *The Anti-Politics Machine* (1990) exposed the nuances of this contradiction perfectly in his chapter on *The Bovine Mystique* also published in more detail as a stand-alone paper (1985). Put simply, Ferguson explains that farmers in Lesotho hold on to their cattle primarily for cultural and social-economic reasons related to cattle being a symbol of status as well as wealth. Donors in Lesotho such as the Food and Agriculture Organisation (FAO) and indeed even the government's Ministry of Agriculture, wanting to show case new technologies on predicting agriculture futures, predicate their projects on the financial value of cattle. However, approaches focused on the liquid financial value of cattle underestimate the cultural, traditional and status values of cattle that effectively render cattle as a non-tradable asset. Accordingly development actors¹⁵ typically problematize

¹⁵ Ferguson sights FAO as problematizing Basotho farmers as thinking about cattle in terms of "quantity rather than quality" (Ferguson 1985:647), preoccupied with increasing the size of the heard regardless the risks, costs or lost opportunities.

Basotho farmers as being ignorant of market dynamics and thus holding onto cattle even when prices slump or cattle feed becomes scarce only because the farmers did not have access to market information. Ferguson's analysis (1985) in *The Bovine Mystique* demonstrates that investments in market information and agricultural futures will not change the behaviour of Basotho farmers largely because the problem is not at all about knowing the future price of an agricultural asset. Ferguson (1985:654) finds that, whilst other agricultural assets can be freely exchanged for cash, Basotho culture designates cattle as an asset that "cannot be converted to cash....except under....conditions specified as a great and serious need" of which the prospect of losing value or even the possibility of cattle dying from drought simply does apply. This doctoral research, thus hopes to contribute to the literature on how donors problematize others with the hope that the findings add texture to existing literature (Escobar 1991) but also to verify if this dynamic still holds true in the context of global aid effectiveness commitments (OECD 2005, 2011) to better contextualising aid to the country context.

There is a second body of literature, however, that is comparatively less well-known but essential to analysis of the administrative procedures and organisational rules, or, what otherwise might be called the structure of the machine that actually shapes what aid does and what it delivers on a day to day level. Gasper (1999, 1999b, 2000), a researcher at the *Institute for Social Studies* concludes that the logical framework approach "used by nearly all aid funding agencies" (Gasper 2000:20) to this day tends to undermine the autonomy of donors rather than enable them to do what they want to do a finding supported by others too (MacArthur 1994; GTZ 1996). Furthermore, Gasper and Castillo (2009:4) demonstrate there is sufficient evidence that these donor procedures actually "harm participants' autonomy despite being supportive to other goals, and thus have negative longer-run significance." Similarly, contradictory findings were evidenced by Gould and Ojanen (2003) in their analysis of public consultations around the design of a Poverty Reduction Strategy Paper in Tanzania: instead of donors getting the consultations they spent and money pursuing, they complained about beneficiaries parroting what the donors already knew and said. More recently, Simon Hartmann (2011) found that one of the key factors in donor aid delivering results is that donors tend to stay invested in sectors attractive to their headquarters rather than to the beneficiary. Hartmann concludes that the real challenge to improving the effectiveness of aid is not

in demonstrating what needs to be done better but rather in acknowledging and paying “the costs of identifying and dismantling the incentives of donors” (2011:10).

Combining this literature together, allows this doctoral research to focus on development as a machinery or mechanism that could potentially stand outside of ideology whether or not it is in fact used, commandeered or even created in pursuit of a specific ideology. By documenting development as a machine or mechanism, this doctoral research could contribute to the debate about how development has become “post-political” (Zizek 2008) and more importantly to explain how development as a product/tool needs to be analysed outside of its ideological bent at least in the service of better documenting how it is a significant and predictable influencer of public policy in developing countries. This is important to explain because, as a mechanism, development is neither reformed nor restrained by changing ideology or policy: as a mechanism or machine it is either a tool this is or is not put to use.

Another important aspect of this research arising from Zizek’s (2008) notion that aid or development is becoming “post-political” is that if donor driven development is not primarily driven by stated needs and policy (but rather by rules and constraints of a ‘machinery’), then we need to closer interrogate analysis founded in the presumption that development is necessarily a force for good. In this regard, the research could contribute to an emerging line of enquiry that calls question to the value of framing international aid or development as a force for good or bad. To assert that aid/development is neither good nor evil enables the study to strip much of the existing literature of its normative bias and helps construct a picture of what donor development does, how it shapes beneficiaries and, contributes to a narrative about governance.

Aid and Public Sector Governance in sub-Saharan Africa

Whilst aid has a global reach, for many countries in Africa it has a notably outsized influence in on public sector governance because it has increased dramatically in real terms and as a proportion of public expenditure. Aid itself is growing and despite the financial crisis net ODA rose to US\$ 119.6 billion¹⁶ in 2009. As donors phase out of middle income countries like Brazil and China, Africa will

¹⁶ 2009 private giving in the USA dropped 3% to US\$ 304 billion (triple ODA).

likely to continue receiving a growing share of aid: of 2009's US\$ 120 billion aid disbursements only a fifth went to sub-Saharan Africa¹⁷ but ODA is increasing to Africa much faster than GDP growth.

Table 1.1 Select African Countries: Growth in ODA, GDP. ODA as % of Government Revenue

Country	2008 ODA USD million	Annual Growth in ODA 2002-8 (OECD QWIDS ¹⁸)	2009 est. GDP Growth Rate (CIA Fact Book ¹⁹)	ODA % of National / Domestic Revenue ²⁰
Swaziland	57	23.5%	-0.4%	11%
Kenya	1,528	23.5%	1.8%	26%
South Africa	1,133	20%	-1.9%	2%
Ethiopia	3,208	20%	6.8%	133%*
Malawi	815	16.5%	5.9%	164%*
Uganda	1,659	16%	4%	83%
Ghana	1,280	14.5%	4.7%	38%
Mozambique	1,938	-1%	4.3%	167%*

***Donors are spending more than the beneficiary government receives from domestic revenue collection.**

Increasing aid to Africa is often a political imperative too. President Obama made doubling American aid an election promise. The UK's Conservative led government of 2011 slashed national expenditure in every sector except for aid and national health care and even adopted in law (Andersen 2015) a commitment to spending 0.7% of gross national income on aid. At the same time the numbers of donors are increasing: South Korea, for example, allocated US\$ 700 million to ODA in 2007 and will increase ODA fivefold by 2015. Other notable emerging donors include Brazil, the Czech Republic, China, India, Turkey, the Gulf States and South Africa. Traditional donors are also focusing more on Africa. Australia, for example, is opening new offices and Spain is directing more resources to sub-Saharan Africa. In a 2007 IDRC study, Chin and Frolic noted, "Africa is slated for the largest increases in Chinese foreign assistance over the next five years."²¹

When governments in Africa rely mainly on tax revenue from elites and the private sector, there are lower incentives to prioritise the needs of the wider population. Many African governments now

¹⁷ Excluding humanitarian funding and debt relief.

¹⁸ See OECD QWIDS donor aid database: <http://stats.oecd.org/qwids/>.

¹⁹ See <https://www.cia.gov/library/publications/the-world-factbook/>

²⁰ Financial Times (2009)

²¹ Chin, G & B. Michael Frolic 2007, Emerging Donors in International Development Assistance: The China Case, Ottawa, Canada: IDRC

raise more money from donors (see above) than they do from domestic revenues²². This further dilutes the incentive for governments to be directly accountable to citizens; despite commitments to the contrary, donors do not report to Africans on how aid is spent. The implications of aid on governance in Africa, then, are significant.

In Ethiopia in 2009, for example, Human Rights Watch (2009) authored a report on politicisation of aid. The report demonstrated that donor-supported food and basic services were being denied to opposition communities in Ethiopia. In practice, this has meant starving and denying life-saving medical treatment to those citizens opposed to the government leadership. When the report came out donors created a working group to investigate the claims. The larger donors deployed their staff to the working group so as to change the purpose of the group from reviewing the allegations to manufacturing a narrative and evidence that donors have good control mechanisms embedded in their aid programming. Not unexpectedly, this resulted in a report (DAG 2010) that “concluded that there are generally good accountability mechanisms and safeguards in place that provide checks on possible distortions.” This sort of manoeuvring enables the international aid project to continue, regardless the results or the implications: the table above shows that aid to Ethiopia increased from US\$ 1.2 billion a year in 2002 to US\$ 3.8 billion a year in 2009 despite the Ethiopia’s (largely unchecked) continued violent oppression of opposition.

During apartheid, Western donors in South Africa utilised independent grant makers²³ such as the Transitional National Development Trust (TNDDT) and Ecumenical Church to support community mobilization and critical engagement with authorities. Independence was ensured by establishing a board or governance committee that is not beholden to donor interests. While these systems are not perfect, they were excellent at supporting local empowerment and critical civil society. Once apartheid ended, however, donors wanted greater access to government. The Transitional National Development Trust was transformed into the government managed National Development Agency, funding to the Ecumenical Church was essentially cut off. Years later, many of the organisations that benefited have either closed shop or effectively become contractors to government or donors;

²² This accountability relationship is often worsened by governments relying on narrow revenue sources, e.g. from resource extraction, taxing high value imports or concessions.

²³ Interviews with EU officials responsible for funding to TNDDT, Interfund and the NDA.

many of the activists now work directly for government and some are as intolerant of criticism as their predecessors are.

What these examples show is that the way aid is spent in Africa can have an outsized impact on governance and protection of human rights making the focus of this research also important to a larger community of scholars than just those focused on international aid and development cooperation. Additionally, South Africa itself is in the process of establishing the South Africa Development Partnership Agency which will formalise its ambitions to be an international donor in its own right. This research thus has potential links to the South African foreign policy literature²⁴.

Limitations of the Official Development Literature

Most of the analysis and the literature is based on data available from the Western leaning Organisation for Economic Cooperation and Development (OECD). The OECD has a Development Assistance Committee (DAC) comprising Western and like-minded donors. By way of maintaining an open and online database (used in all the case-studies cited in this research) and regular peer review and specialised studies, the DAC has created a formidable body of knowledge on the policies and practices of Western/traditional donors that is simply not available on other donors such as South Africa, Russia, China or Brazil. There is as yet to be a comprehensive study on the effects of the shift in the global aid architecture: those studies that do contain data on 'emerging donors' tend to acknowledge that the data cited is incomplete or inadequate. Furthermore, aid pre-2007 and post-2011 also reflects a bias towards America's 'War on Terror' and the correlation between military intervention and aid in a 'post 9/11' world (Sachs 2005, Bermeo 2008), the implications of which are not yet fully understood.

The primary impediment to compiling definitive explanations for how donors allocated their aid relates to the lack of evidence to support the notion that donors conclusively replaced their Cold War based aid policies with global commitments to poverty alleviation. The paradigm shift donor governments and multilateral organisations asserted on the new priority of poverty alleviation is largely not taken at face value at least partly because commitments are either not implemented or implemented in a piece-meal manner. A good example of this is the global consensus that aid should

²⁴ This is covered in more detail in the section on South Africa as a donor.

be increased and pegged as a fixed proportion of developed countries' revenues (i.e. the 0.7% of national income commitment), that aid should specifically target poverty reduction, and aid should be given to countries with good governance and sound political and economic institutions. Originally this target was for 1% as proposed by the World Council of Churches. In the 1960's the OECD DAC members agreed the target in principle but when called to formalise their commitment successfully argued the target should be reduced to 0.7% by subtracting an estimated 0.3% from the 1% that flowed to developing countries in the form of private flows. A target of spending 0.7% of Gross National Product (GNP) on Official Development Assistance was first formally agreed in 1970 in a UN resolution on 24 October 1970. The target of allocating 0.7% of GNP to aid became the reference point for 2005 political commitments to increase ODA from the EU, the G8 Gleneagles Summit and the UN World Summit. However, in reality DAC donors continue to spend less than half of the amount committed while often allocating aid according to criteria that clearly demonstrate a bias away from poverty alleviation. For example, the US still allocates vast amounts of ODA to Israel and Egypt in support of a peace agreement. Fifty years of donors committing and recommitting to the 0.7% target despite not meeting it only illustrates how necessary it is to qualify international commitments and recognise the limitations of the commitments and the accordant literature. All this evidences the difficulty in drawing universal conclusions about donor behaviour even though the analysis below does provide some form of predictability.

1.2 Locating the Research

The literature detailed in the section above evidences the fact that donors do not always allocate aid as per their stated policy priorities. After the Cold War ended, donors invested in a new narrative justifying their intervention in developing countries under the rubric of combatting global poverty. The imperative to respond to poverty insofar as it is located in the developing world was accompanied by an important administrative tool ('ex ante' programming) enabling donors to allocate aid to medium term objectives as well as or in place of responding to verifiable need. 'Ex ante' programming at country level is a subset of aid commonly known as *country programmable aid*. Country programmable aid²⁵ is justified as aid being in support of beneficiary country development plans.

The literature review also demonstrates that donor aid produces unintended results whether through failure or due to aid having an unstated or unacknowledged intention. Furthermore, with aid being institutionalised through rules and procedures and public sector management and governance structures, the actual way in which aid is transformed into projects and activities is to some extent predictable and mechanistic. The mechanistic nature of programming aid has spurred a field of literature that demonstrates how donor practices can produce results contrary to or not justified by the stated donor goal of poverty alleviation. An analysis of aid flows shows that whilst what donors do could be of limited consequence in richer countries, in the poorer countries in Africa, aid has a major financial influence on public policy and governance of public expenditure. Notably in some countries in Africa, donors spend more than governments do on social services.

The practical question that follows, then, is whether this is a feasible and accessible field of study? The answer presented itself in terms of what donors delineate as country programmable aid and specifically in how development (programming) is produced by donors at country level. In this regard, what is referred to as development or aid is as it is defined and elaborated at national levels in recipient countries (e.g. in coordination with Ministries of Finance or Foreign Affairs). The OECD formally differentiated this type of aid as *country programmable aid* and defines it as "the portion of aid that providers can programme for individual countries or regions, and over which partner countries could have a significant say over." The OECD (2015) estimates that country

²⁵ Country Programmable Aid

programmable aid constitutes more than half of all aid spend, more than five times what OECD donors spend on humanitarian emergencies and twenty times the aid allocated to non-governmental organisations.

The path that aid monies follow in this context is that donors typically allocate a financial envelope to be spent in a beneficiary country. The allocation can be annual or as much as seven years as is the case for the European Union. This envelope is then allocated to sectors in the form of a country strategy document. Funding at sector level is then allocated to projects that extend through government partners, NGOs or private contractors to beneficiaries. The programming strategy is formulated as donors allocating aid to respond to or solve a 'problem' listed in the beneficiary country's development plan. Funding is allocated to the extent which donors respond to or fix a specified problem²⁶. The problem is framed as something that once solved, donors can safely stop spending money on²⁷ without fear they will be blamed for discontinued delivery or services. The focus on spending aid on solvable problems is one critical aspect that differentiates what donors consider as developmental from humanitarian assistance (and charity).

In terms of the history of aid, the feasibility of this doctoral research is very much time bound and only became a practical area for study in the late 1990s with the rise of country programmable aid. Country programmable aid encompassed the promise that donors would increasingly allocate their funding in direct support of beneficiary country development plans. This explicit change to aid being framed as programmed and forward looking (rather than responsive and needs based), allows this research to question whether the unintended consequences of aid are the result of donor actions that happen prior to their being confronted with the unexpected challenges of working in a foreign and formally unknown contexts. The shift to *ex ante* programming allows this doctoral research to ask if the unintended consequences of aid are due to the political economy governing donor decisions more so than the challenges experienced in implementation. This distinction is important because much of the literature (e.g. Ferguson, Li and Moyo describe above) is a critique concentrated on how the results of aid are due to their lack of contextual relevance,

²⁶ See multiple donor procedure guidance on problem analysis, the logical framework and project design, e.g. European Commission (2004) *Project Cycle Management Guidelines*, Section 4.3, Section 5 (particularly 5.3) Brussels: European Commission

²⁷ Ibid, Sections 4.5 and 4.6

almost as if donors wanted to they could choose to make aid more relevant to the context. My hypothesis, however, is that donors' stated policy of making aid more relevant to the local context only masks other unstated, unrecognised or even unintentional incentives. These incentives ensure that aid predictably produces patterns that are not to be found in beneficiary country poverty alleviation/development plans. The following diagram illustrates the process and decision making of donor funding in regards to where country programmable aid is located within the public, administrative and political space that is the subject of this analysis.

In this regard, it is important to delineate this research study's focus from analysis of how aid and development cooperation works at the community or local levels. Similarly, this research does not focus on how international development and aid priorities are set such as through the United Nations systems or through electioneering or foreign affairs policy making. The shaded areas in the graphic below represent spaces in which there is no public scrutiny and aid priorities are set.

Table 1.2: Donor Decision Making in Beneficiary Countries – Where to Locate ex-Ante Country Programmable Aid (Author’s own analysis)?

Location	Activity	Perceived Influences
Donor Headquarters:	Choose country, identify how much will be spent over how many years and condition the type of funding on priorities that have political resonance (e.g. supporting women, environment, etc.)	Pressures: International Commitments, Competition to Maintain a National Profile, domestic politics (e.g. diaspora influence, environmental or health lobbies, domestic NGOs).
Country Level – National Strategy: <u>Sources:</u> EU Joint Country Strategy for South Sudan and comparator strategies for Bangladesh, Ethiopia, Mozambique and Palestine. USAID regional strategy for institution building in the HIV/AIDS sector in Southern Africa. South Africa government policy statements on the African Renaissance Fund and the establishment of the South Africa Development Partnership Agency.	Donor country manager designs a medium-term response strategy that earmarks funding by sector and priority.	Pressures: Demonstrate relevance to other donors (peer group), demonstrate added advantage to headquarters, have access to senior government decision makers, respond to needs of resident nationals.
Country Level – Sector: Sector response strategies, project documents, etc.	Donor country manager designs a medium-term response strategy that earmarks funding by sector and priority.	Pressures: Competition with other donors.
Project Level:	Donor country manager designs a medium-term response strategy that earmarks funding by sector and priority.	Pressures: To design an intervention in line with decisions made above.
Organisation Level (e.g. NGOs, contractors):	Donor country manager designs a medium-term response strategy that earmarks funding by sector and priority.	Pressures: to ensure funding criteria ensure beneficiaries respond to needs above.

The evolving international aid and development effectiveness declarations that culminate in the *2011 Busan Partnership Agreement* (OECD 2011), points to growing donor pressure on jointly identifying developmental challenges with the beneficiary government. Developmental challenges that donors and government agree on better withstand criticism that aid is about donors pursuing their own agenda and/or interfering in domestic politics. Similarly, when aid finances beneficiary government priorities, it serves to disburse blame in the event of failure whilst creating a framework in which aid can deliver for donors, beneficiaries and government alike. This logic combined with donors repeatedly calling for implementation of the aid effectiveness principles of

government ownership and alignment²⁸ creates a natural entry point for the research. Both donors and beneficiary governments have agreed at the highest level to align donor aid with the beneficiary government's development plan and use the same sector definitions. This research then focuses on the above detailed policy space to study the extent to which donors deviate from what is detailed in beneficiary government plans and use competing sector definitions.

1.3 The Research Question and Analytical Framework

Escobar (1991, 1995), Ferguson (1990), Li (2007) and Mosse (2005a, 2005b) et al provide compelling evidence that when analysing aid projects on the ground aid achieves something more than just its stated objective of alleviating poverty, and in many occasions achieve these other things even whilst failing to meet its stated objective. Gaspers (1999), Gould and Ojanen (2003) and Hilhorst (2003) show that the administrative procedures and technocratic practices that aid deploys in programming often deliver results contrary to the stated objectives of aid donors. Escobar (1991:667) explains further that the administrative and technocratic aspects of aid are about power: the "labels and institutional practices are issues of power; they are invented by institutions as part of an apparently rational process that is fundamentally political in nature".

One challenge with most of the analysis reviewed is that it is too country case specific to be reliably applied in any context. Whilst the case studies are compelling, the contexts vary sufficiently that critics can dismiss the findings as being the result of specific country, cultural and project dynamics rather than being about how aid itself works. Li's (2007) case study is on Indonesia, Ferguson's (1990) is Lesotho and Gould and Ojanen's (2003) is on Tanzania (with Gould adding case-studies from Vietnam and Honduras in his 2005 book) and all are on the intersection between aid as a practice or activity and the specific political, economic and cultural context. The question that arises is whether it is feasible to document the aspects referred to by these researchers but less so as an analysis of that happened when aid interacted with 'reality' and more so in terms of improving the understanding of what aid will likely produce regardless the country context or donor?

²⁸ The 2005 Paris Declaration on Aid Effectiveness commits donors to aligning with government policy and practice while granting government ownership over what development is meant to achieve.

The rise of country programmable aid and the accordant donor commitments to directly support beneficiary country development plans allows an analysis of aid that was not hither to possible. It has now become possible to directly compare and contrast donor country strategies to those of beneficiary country development plans to identify what aid produces regardless the context of donor and before being shaped by the beneficiary's 'reality'. Because donor country strategies are designed prior to activities taking place, they cannot be easily dismissed as result from or being shaped by an interaction with 'real beneficiaries. Furthermore, if an analysis of these donor strategies reveals a pattern recurring in different country contexts (see methodology below for caveats) and with different donors, then there is evidence that the pattern is generated by aid itself. Of course, an analysis of what is present in donor country strategies that is not present in the beneficiary country development plans will not capture all of the unstated or unintended results of aid. However, to the extent this analysis is possible, it will produce reliable evidence that donor aid predictably produces unstated and/or unintended results regardless the context or stated intention of the donor.

Based on the literature review documented above and my experiences as a development practitioner, the research questions build incrementally as follows:

1. Do donor policies actually reflect donors' stated intention to use country programmable aid in direct support of the beneficiary country development plans?

If yes, then,

2. Are these policy intentions translated into instructions on how to draft donor country strategies?

If yes, then,

3. To the extent that donor policies call for donor aid to be contextually relevant in supporting the beneficiary country development plan, is there evidence that donors are using political economy and/or context analysis (in line with their stated policies) to refine/define their

aid programming and if so what evidence is there that donors have contextualised their programming?

If yes, then,

4. Speaking to donor commitments such as in the Paris Declaration on Aid Effectiveness (OECD 2005) to align to beneficiary country development plans, to what extent do donors align their programming to the beneficiary country's sector policies and strategies as they have committed to do so?

And

5. When comparing and contrasting donor country strategies with beneficiary country development plans, do donors actually produce a narrative of moral and technological superiority? Is there evidence to suggest that this narrative results from implicit or unstated rules on programming aid (i.e. the machinery of donor decision making)?

And, if so

6. What does this narrative illustrate about the ambitions of donor aid and what appears to be at stake in asserting this agenda in programming?

These questions form the structure of the analytic framework throughout this dissertation. Essentially, these questions seek to answer whether there is evidence to suggest that donors do not follow their own stated policy ambitions in planning aid. Further, in each case study, the analysis follows a unique line following the path demarcated by the donor's own stated policies. The purpose here is to create an analytic framework that compares what transpires with what appears to be in the donor's stated interests. The hypothesis, then, is that aid produces features that run contrary to donors' stated interests and also contrary to what can be explained as resulting from aid encountering the 'real world' (such as all the literature cited above focuses on). The analytic

framework, then, is intended to contribute evidence to the question whether or not it is the actual practice of giving aid that contributes to much of the findings in the literature.

The research aims to generate empirical insights into how donors identify development priorities at the beneficiary country level and how the development machinery transforms these priorities into donor country strategies (and eventually financed projects). Explaining the constraints and logic to how donors allocate development resources is important to literature because it deepens analysis on the possible purpose of development assistance, better explain the constraints and rules by which it operates, better informs and explain what development produces. The research also contributes to understanding the relationship between donor driven development and the implications for the current narratives on governance in sub-Saharan Africa. This narrative is important for African governments because it shapes agendas and has a real impact on governance and resource allocation. Because the donor narrative is so strongly connected to the allocation of public resources in most countries in sub-Saharan Africa, it is a political force in and of itself. Thus the study's focus on narrative contributes to empirical evidence on how the development machinery allocates its vast resources (see analysis above showing aid to be larger than beneficiary government spending in some countries).

The research also acknowledges the role of the 'project cycle'. For the EU and other donors, the project cycle is a top down approach that begins with the allocation of an overall financial allocation for a period of up to six years²⁹. EU officials decide on "the indicative allocation to each sector of intervention"³⁰ *before* consultation or problem analysis has been undertaken. Each step of the project cycle builds on assumptions from the previous step with the end result being the actual allocation of financial resources and expenditure on projects thus transforming decisions made at the country strategy level into the terms and conditions for granting aid.

²⁹ For example, in South Sudan the allocation for 2014-2020 was €200 million

³⁰ Page 6 *EU Programming Guidelines, April 2012*

1.4 Research Methodology

The genesis of this thesis is almost twenty years of experience working with international donors on programming and country strategies in particular. My professional experience in the aid sector strongly informs my observations which are used in this research. In order to minimise the risk of bias any observations I make in the thesis have been verified either in the literature or in the key informant interviews (profiles of those quoted in annex). The core of the research, as I explain below, is on verifiably and publically accessible data in the hope that the findings presented are replicable. Nonetheless, my voice as a participant researcher carries some weight because of the work experience I have accrued combined with the access to decision making and decision makers that I have enjoyed. In this regard, I have advised donors (mainly the EU, EU Member States and UN systems) at a senior decision making level on formulating their country development strategies in over thirty countries in Africa, the Middle East, the Caribbean, Eastern Europe, Central and South East Asia and the Pacific. In relation to my thesis, over the course of two years I had professional experience advising donors on restructuring the national aid architecture in Mozambique, on building a coalition for a joint country strategy in South Sudan and in advising on how to better contextualise HIV/AIDS programming in Namibia, all of which contributed to my access to information on the case studies presented in this research. At the same time, working with the Open Society Foundation of South Africa, the Institute for a Democratic Alternative in Africa (Idasa) and the Institute of Security Studies allowed me access to South African government officials which made possible the research on South Africa as a donor. As such, it is important to acknowledge, that whilst the research is replicable it also benefits from my unique professional experience and access.

In selecting the case studies, the focus on country programmable aid ruled out the development banks as a potential focus because even though organisations such as the World Bank and African Development Bank have country strategies, the execution of their loans are based on agreeing terms and conditions for loans making them more directly shaped by world economic and political factors of the beneficiary country. The United Nations agencies and programmes were also ruled out because it was unclear to what extent these multi-lateral donors are shaping their strategies to fit their fund raising needs (most UN agencies and programmes rely on external funding for the bulk of their activities). Accordingly, it was decided to focus on bilateral grant making donors, of which South Africa, the European Commission/European Union (EU) and USAID were selected.

South Africa was selected as a case-study specifically because it is not a traditional donor and because South African policy makers have made specific commitments to wholly supporting beneficiary country development plans with the promise of being a unique donor in their avoiding donor driven solutions. USAID was chosen both because it is a major donor and because it has an outsized influence on funding HIV/AIDS programming. The focus on USAID thus allows the case study to closer connect the donor's strategy at the country level to what will become programmed/financed activities. Finally, the EU was selected because, combined with the EU Members States, it is the biggest grant making donor in Africa and likely because it is a member owned organisation, it makes its country strategy papers available to the public.

South Africa as a donor does not (yet) produce country strategies for its programming in beneficiary countries. However, South Africa has generated significant policy guidance to prove that its stated intention is for country programmable aid in support of the beneficiary country's development plans. The study of South Africa as a donor is particularly valuable because South Africa strives at the policy level to differentiate itself from traditional donors in promising to be an African development partner that eschews what it sees as traditional donor tendencies to use aid in patronising or self-interested manner. In this regard, the case study on South Africa is based on close analysis of South Africa's stated donor policies, a review of the literature on South Africa's results as a donor, interviews with researchers in the field and with a South African government official responsible for designing South Africa's aid policy. The case study on South Africa also illustrated an apparent divergence from what the literature says about how donor's select beneficiary countries. Based on the literature on how donors select beneficiaries, South Africa should be more inclined to using its aid in Mozambique rather than in Burundi, the Democratic Republic of Congo and South Sudan, where it is currently focussed. The South Africa case study thus includes a close analysis of the aid coordination architecture and operating environment in Mozambique to identify whether there is any self-evident reason to explain why South Africa has avoided providing aid to Mozambique.

USAID is the single biggest bilateral grant donor in the world and to Africa (OECD 2013) thus making the sheer volume of its spending influential to the governance and delivery of public services. However, USAID's country strategy papers are not easily engaged with both because they are not necessarily made public and because when approached USAID officials appeared hesitant to speak about the US's strategy at the 'whole of country level'. At the same time, the initial analysis of USAID's aid spending in Africa found that the US is spending disproportionately on combatting HIV/AIDS and is in most countries far and away the biggest donor both in terms of country programmable aid and through international funds such as the Global Fund for Aids, Tuberculosis and Malaria. The US is by far the biggest contributor to the Global Fund (GFATM 2014) contributing \$9 billion in the decade to 2013, a third of all contributions and more than double the next biggest donor. In terms of country programmable aid, the US's influence comes into perspective most in richer African countries with high HIV/AIDS rates such as Botswana, Namibia and South Africa and where other donor spending is proportionally less important. For this reason, USAID's programming on HIV/AIDS in Namibia was identified as a good case study. The United States provided half of all aid disbursed (OECD 2014) to Namibia in 2012 with more than 40% of the total \$305 million spent on health. However, 94% or \$120 million of the total donor health expenditure is on HIV/AIDS. The US provides three quarters (\$84 million in 2012) of disbursements on HIV/AIDS in Namibia. The remaining disbursements to HIV/AIDS largely comes from the Global Fund (\$35 million) to which the US is the biggest donor too. USAID's HIV/AIDS programming to Namibia also presented as an ideal case study because Namibia is a comparatively rich country that spends more on HIV/AIDS than donors do with the US having committed in a number of instances to directly supporting the Namibian government development plan. Additionally, much of USAID's programming was framed as direct support to the Namibian government and done so through publically available strategy documents thus allowing comparatively good access to the literature necessary to conduct the comparative analysis. Finally, the US Government (2014) had developed clear guidelines and instructions on contextualising programming to the local country context thus allowing the research analysis to be grounded in USAID's own methodology.

The third and possibly most important case study is on the EU's programming in South Sudan. Because South Sudan is a new country, the EU country strategy did not reflect legacy programming of a developmental nature (previous support was largely humanitarian or emergency in nature). Furthermore, the donor community and EU and EU Member States in particular financed and participated in the development of the beneficiary country's national development plan (*South Sudan Development Plan*). This means that at least on paper, to the extent that the EU's strategy diverges from the beneficiary country's development plan it is not easy to dismiss this due to quality concerns or because the EU is forced to continue legacy programming due to internal donor incentives. Another reason the South Sudan case was so appealing is that it was actually the EU's first joint country strategy for the European Commission as well as the EU Member States. This means that the strategy is not just the result of an internal European Commission process but the result of a consulted and public process thus making the analysis more accessible to researchers. The EU's approach to developing joint country strategies is also grounded in clear instructions that stipulate that the programming approach is to directly support the beneficiary country's development plans. These factors thus provide fertile ground for an analysis of the EU's programming.

For each of the case studies the methodology included an analysis of the donor's policy documents to identify to what extent the particular donor was committed at the policy level to country programmable aid and to directly supporting the beneficiary country's development plan. Recognising that a stated policy is not necessarily translated into instructions, the donor procedures and guidelines were also analysed to the extent that the donor had produced specific instructions to their respective officials to directly support the beneficiary country's development plan. Further, the donors were analysed to the extent that they had produced and/or committed to using political economy or local context analysis so as to make their projects and activities relevant to the beneficiary country's political economy. This analysis then provided the basis to compare and contrast the donor's programming strategy with the beneficiary country's development plan. In this regard, recognising donor commitments to the contrary and Escobar's (1991:667) observation about the power embedded in donor "labels", particular attention was paid to where donor sector definitions diverged from those of the beneficiary government's. This analysis of sector definitions was also supplemented by a brief comparator analysis on the EU programming in unrelated

countries (presented in a mini-chapter prior to the conclusions and comparing with Bangladesh, Ethiopia, Mozambique and Palestine) to check whether these findings were case specific or not.

Documentary based analysis was supplemented with key informant interviews with donor and government officials in each of the country case studies as well as with implementing partners where relevant (such as was the case in the USAID case study). Finally, during the research process and once the overall findings were becoming clearer, the research findings were discussed with fifty-two key informants of which thirty-three are quoted in this thesis (see annex for respondent profiles). Respondents were selected for their intimate working knowledge of donor programming of country programmable aid. The bulk of the respondents not quoted in the text were excluded because they explicitly asked not to be quoted even after promises of anonymity were made. Key informant interviews were unstructured and respondents were approached due to existing working relationships or referrals. The interview would begin with me explaining that I am conducting doctoral research as well as working in the field; I would then explain that the research study is largely based on textual analysis but I would very much like to get feedback on my initial conclusions if the respondent is willing. Once the respondent indicated his or her willingness I explained the research ethics considerations and obligations whilst also promising anonymity. After explaining that the interview findings could be quoted in the final thesis but only attributed to general descriptions of job function and type of organisation, the interview would proceed. Typically, the interview would take the form of probing about the contradictions the research uncovered mainly between the stated intentions of allowing beneficiary government officials to take ownership and my analysis illustrating that programming almost invariably invoked a narrative that undermined ownership of beneficiary government officials. After allowing the respondent to explain and speak on the subject, I then probed further and asked about whether this aspect of the aid relationship might be more about the way donors perceive themselves rather than the actual capacity of the beneficiary governments. In most cases, respondents confirmed this dynamic although the explanations given varied across the spectrum from accusing beneficiary governments of being incompetent to plain facedly accusing donors of 'imperialist' type intentions. In more than one occasion respondents were hostile and defensive claiming that aid is changing and the finding is outdated or arguing the findings are "reductive" (UNDP Senior Advisor 2015).

The research benefited from me having significant familiarity with the workings of donors and access to senior donor and government officials thus allowing for participant observation. Having worked as a senior advisor to the European Union on aid effectiveness, I have been involved in numerous studies and strategy making processes that relate to the case studies used. My work experience also allowed me to identify which respondents are more likely to have intimate knowledge of donor country strategy processes, a feature of aid that tends to involve senior officials more so than project managers and sector experts. In this regard, the research approach has been to only use documentary evidence that is publically available and verifiable which, in turn, contributed to the research focusing on published strategies and policies. This did incur some cost to the research because there were numerous internal or confidential documents or communications uncovered that could have strengthened the research findings. However, it was decided not to use such documentation for fear that it would transgress ethical considerations even though these documents were often shared by the officials of the organisations writing them.

Substantial fieldwork took place in all the case study countries most notably in Bangladesh, Mozambique, Namibia, Palestine and South Sudan as well as in Brussels, Belgium when interviewing EU officials. South African government donor officials were interviewed by telephone and in person at conferences hosted by the Institute of Security Studies (ISS) in Pretoria and South African Institute of International Affairs (SAIIA), in Johannesburg South Africa in 2014 and 2015. US donor officials were interviewed in Namibia and by phone. My professional experience granted me preferential access to government and donor officials, many of whom explicitly said they were speaking 'off the record' and only doing so because they had confidence that I would not reveal their identities. Across the board respondents made clear that they had no authority to comment on the findings when they diverge from their respective organisation's 'official position'. In this regard, it became apparent early on in the research process that without the promise of confidentiality respondents would not speak. As such respondents are not named in the research and their profiles are purposefully kept opaque except for in cases where I was explicitly informed of their willingness to be identified. However, to give more context when quoted, respondent profiles are included in annex but in a manner that keeps their identity protected.

The study is thus purposefully based on primary and publically available data; secondary data was used to frame the questions and corroborate findings more than anything else but the interviews are not necessary to the evidence presented in the findings. Findings were triangulated between the literature, official donor policy and related documents. Key respondent interviews, thus, only acted to prevent the risk that my perspective was biasing the findings.

This study is guided by the ethical provisions of the University of Cape Town and professional standards in the field.

The research contributes to debates on the socio-political and political economy of development. In particular, the study aims to contribute to understanding how development speaks for others, influences government and resource allocations in Africa. This study contributes to empirical knowledge and theory in understanding donor organisations, resource allocations and narrative.

2. South Africa as a Donor: The Case of the South African Development Partnership Agency and Mozambique

2.0 Introduction

South Africa is an ideal and unique case study for this research because South Africa is firmly an emerging donor that strives to differentiate itself from what it sees as patronising or colonial behaviours common to traditional donors. South Africa continues to receive donor funding from traditional donors and has a long history of being a beneficiary which affords its policy makers an intimate understanding of undesirable donor behaviours. In this regard, South Africa presents itself as a good case study in speaking to the likes of Bill Easterly (2002, 2002b, 2004, 2007) and Dambiso Moyo (2010) who imply that with the appropriate intent and an understanding of the problems, aid can be improved. At the same time, to the extent that South Africa produces similar unintended or unstated results to that of 'traditional donors', it could support the argument that recurring unintended and unstated results are generated by the act of giving aid itself rather than being unique to how traditional donors behave.

South Africa has emerged as a donor in the context that accelerating globalisation and regional integration is seeing South Africa's economic and political interests increasingly extend beyond its own borders. Within Africa and Southern Africa, in particular, South Africa's private sector has made considerable progress in capturing markets and building supply chains in sectors such as in formal retail, telecommunications and servicing the financial, industrial and extractive industries. At the same time, South Africa's post-Apartheid government has made measurable and increasing investments in raising its international profile both bilaterally through expanding the network of representatives abroad and in the global architecture such as through raising its profile in the African Union, United Nations systems and groupings such as that of Brazil, Russia, India, China and South Africa (BRICS). South Africa has also sought to increase its international influence through shaping the international debate and accordant structures on development cooperation. In the development cooperation space, South Africa is in the process of transforming what has been something of a reactive funding mechanism, the *African Renaissance Fund*, into a full-blown development agency, the *South African Development Partnership Agency (SADPA)*. This doctoral

research, then, could also be of value to the South African government in questioning how the establishment of SADPA could be aligned with South Africa's economic interests.

This chapter is split into two sections. The first section focuses on South Africa and its policies and approaches to being a donor. The second section results from the finding detailed at the end of the first section (2.6) that concludes that the literature and policy imply South Africa should provide aid to Mozambique more so than its current focus on Burundi, the Democratic Republic of Congo and South Sudan. The second section is an analysis of the feasibility of South Africa being a donor in Mozambique, thus analysing the possible space for South Africa as a donor in what role it could potentially play in the national aid architecture.

It is important to note that **this chapter on South Africa follows a different structure to the chapters on USAID (Chapter 3) and on the EU (Chapter 4)** most notably because South Africa has not drafted specific beneficiary country strategy papers (at least not for public access). For the US and EU, the analysis focuses on comparing the partner country's national development plan with the respective donor strategy to support the self-same national development plan. This analysis, however, was impossible for South Africa due to the absence of a South African country strategy, which is not unusual for an 'emerging' donor. O'Riordan, Benfield and DeWitte's (2010) analysis of European Union donors found, for example, that all of the European Union donors (except for the European Commission) programme aid on occasion without a country strategy with the newer European Union donors of Bulgaria, the Czech Republic, Estonia and Poland only starting to adopt the practice. Furthermore, the literature on South Africa's practices as a donor is much harder to come by than with the EU or US. Accordingly, this chapter adopts the approach of analysing South Africa's donor behaviour throughout Africa and wherever the literature is available. It then compares this analysis to what South Africa's approach would look like if its programming resembled its stated policy priorities and apparent national interests in programming aid to Mozambique. Whilst the South Africa case study does not as easily fit the analytic framework as the US and EU case studies, it is nevertheless potentially more important because South Africa is an example of a donor that cannot easily be categorised as being part of a Western model of exerting power abroad. In fact, as this case-study shows, insofar as South Africa behaves in some ways like a traditional donor it does so despite its stated policy commitments not to (see sections 2.1 and 2.2).

The first section focuses first on analysing the policy and economic *context* (2.1) that shapes South Africa's decision making as an actor in the international development cooperation space. 2.2 then explores South Africa's stated policies and what they imply about where South Africa should invest its development resources. The findings point to a possible competition between South Africa's 'official' policy of investing more in partnerships with countries of strategic economic importance and the African National Congress's stated policy of using development cooperation to counteract the influence of Western/neo-Imperial interests in Africa. Regardless South Africa's ambitions, however, the country's ambitions will be constrained by its capacity to exert itself abroad and compete in what sometimes looks like a crowded space for dialogue in beneficiary countries. 2.3 draws attention to the likelihood that South Africa is significantly overestimating its ability to compete as a development partner, thus also invoking a technological superiority over its beneficiaries that may not actually exist. Aside from South Africa's stated policy objectives, there are serious and growing economic and trade interests that the literature implies should influence decision making in SADPA. *Sections 2.4 and 2.5* draw on trade analysis (the graphs were compiled with the assistance of Tom McLellan, a graduate student at the University of Cape Town, whose help is appreciated). The analysis of the trade data shows South Africa's burgeoning trade relationship with sub-Saharan Africa and the world. Excluding energy, gas and petroleum products, South Africa's combined global imports and exports have grown almost fourfold from just over US\$40 billion in 2002 to US\$170 billion in 2012. To put things in perspective, South Africa's exports in 2012 exceeded government revenue. Just as importantly, when energy, gas and petroleum products are excluded, South Africa is steadily growing a trade surplus that implies greater beneficitation of value to South Africa in the long term. At the same time, the importance of sub-Saharan has itself grown at double this rate; the eight-fold increase in trade with sub-Saharan Africa has seen it grow from around a tenth to almost a quarter of the value of South Africa's combined global trade. Within sub-Saharan Africa, the top seven markets for South Africa's exports are in Southern Africa, cumulatively comprising three quarters of South Africa's exports to sub-Saharan Africa.

When South Africa's trade relationships are combined with its stated policy objectives and what the literature says on how donors select beneficiary countries, Mozambique presents itself as a most suitable beneficiary of South Africa's aid resources. From a trade perspective Mozambique is an

important partner already but one of rapidly growing importance due to its booming economy and vast natural resource discoveries. From a developmental perspective, Mozambique's comparatively higher poverty rates also make it a suitable site for SADPA to invest in. Furthermore, aside from Zimbabwe, Mozambique is the only of South Africa's neighbouring countries that cannot be influenced through the vast resources South Africa transfers by way of the Southern Africa Currency Union mechanism (in 2014/2015, responsible for R52 billion in untied transfers to Botswana, Lesotho, Namibia and Swaziland's treasuries³¹). 2.6, then, applies the policy priorities and comparatively grades the potential value of Mozambique with that of Burundi, South Sudan and the Democratic Republic of Congo as a potential beneficiary of SADPA resources.

The second section of this chapter delves deeper into what a SADPA investment in Mozambique could look like. Mozambique is currently one of the fastest growing economies in the world with a large population (about two thirds the size of South Africa) hungry for the sort of consumer goods and services that South Africa provides. Having discovered the second largest gas fields in the world as well as vast deposits of coal and graphite, Mozambique's spending power is only expected to grow. The analysis of the trade data in section ten shows that exports are growing to Mozambique at a rapid pace but imports are growing even faster due to Mozambique's supply of energy. If this trend continues, it is likely Mozambique will be of even greater importance to South Africa since the more it depends on Mozambican energy, the more the trade relationship expands to include security and common environmental interests too. Furthermore, as Mozambique converts its natural resource finds into working mines and processing plants, South Africa's vast extractive industry service sector could also benefit. Similarly, the expected influx of foreign exchange as Mozambique's production comes on line, will likely increase the country's purchasing power and could be an enormous opportunity for South African producers and service providers in everything from fresh produce through financial, education and other high skill services more readily available in South Africa than anywhere else in the region.

The economic opportunities in Mozambique have not gone unnoticed by South Africa's policy makers and the private sector. 2.8 collates findings from interviews with South African enterprises, the South African embassy in Maputo, the South African Department of Trade and Industry and the

³¹ <http://www.issafrica.org/iss-today/time-to-pull-the-plug-on-sacu>

South African chamber of commerce in Mozambique. The private sector is rapidly expanding its presence in Mozambique. South African retailers such as Pepkor (now with fifty stores in Mozambique) are expanding in Maputo and further north but so too are companies such as Sasol, MTN and Standard Bank, amongst others. The South African government is also trying to help and promote South African investment in Mozambique with some evidence that it has been proactive and effective in engaging and supporting the private sector. However, there is still a perception that South Africa as a 'brand' is not fully valued; further interviews with a number of some private sector actors revealed significant suspicion of government efforts. Unfortunately, much of the good work done by the Departments of Trade and Industry, International Relations and Cooperation is overshadowed by a deep suspicion that the government hampers rather than helps. Recent initiatives by DTI, for example, to force a code of conduct on South African businesses³² were viewed as poorly at best and plainly obstructive at worst. Evidently much needs to be done to strengthen the partnership and build trust on the shared objective of expanding South Africa's economic stake in Mozambique.

South Africa is not the only country positioning itself to improve its profile and influence in Mozambique. Traditional donors such as the United Kingdom, acting as traditional donors, account for more public expenditure in Mozambique than the government itself does. Furthermore, emerging powers such as Brazil, India and China are making inroads and trying to position themselves as preferred alternative trading and investment partners. At the macro-economy and rule setting level traditional donors have established a vast infrastructure to shape and influence policy in everything from tax reform to health and education. That being said, whilst traditional donors spend upwards of R25 billion a year on their relationship with Mozambique, the relationship itself is fraught. The research finds (2.9 and 2.10) that there is considerable suspicion and tension between the donor community, the United Nations system and the Government of Mozambique often attributed by donors to poor communication, suspicions of corruption and what appear to be the legacy of a relationship previously grounded in dependence on donors. The biggest signifier of this eroded relationship is that most of the working forums intended to deliver meaningful dialogue and cooperation have given way to a single but bloated forum revolving around negotiations on general budget support. This forum, known as the G17, is further associated

³² Interview with member of NEDLAC on condition of anonymity, February 2015.

with infighting and bickering amongst traditional donors more so than being seen as an effective mechanism to secure influence.

For South Africa, the challenges traditional donors face in Mozambique, however, could be an opportunity. SADPA will have limited resources and thus cannot reasonably buy its influence in Mozambique through the sheer volume of its development assistance. However, getting dialogue forums working is not an expensive investment and is very much suited to South Africa, a country that can both empathise with donors and recipients due to its shared experience as both. In this regard, 2.10 finds that SADPA could invest its limited development resources in getting coordination and dialogue working in terms of private sector development and energy. Both these sectors currently struggle to maintain a productive policy dialogue between the government and its development partners' despite being vitally important to the broader development objective of poverty alleviation. At the same time both these sectors are vitally important to South Africa's own interests being intimately connected to making it easier for South African's to do business in Mozambique and to securing a stable supply of energy.

Finally this chapter concludes (2.11) by reflecting on what South Africa's actions as a donor say to the literature.

Section One – South Africa as a Donor

2.1 Context

Since its first democratic elections in 1994, South Africa has made concerted efforts to ensure it has a significant influence on the international stage. South Africa held a seat for two terms on the United Nations Security Council, lobbied successfully for a South African chair of the African Union in 2012, led international peace processes such as in Burundi and Sudan, and convinced Brazil, Russia, India and China's BRIC grouping to include South Africa. South Africa is now in the process of financing³³ its own international development agency, the South African Development Partnership Agency (SADPA) which will formalise the funding it has made available for international development cooperation through the African Renaissance Fund.

With South Africa transitioning to a more formalised and structured approach to international development cooperation (in establishing a dedicated agency), there will be greater attention and oversight on how it chooses to allocate its limited developmental resources. Whereas a fund such as the *African Renaissance Fund* lends itself to opportunistic decision making, a legislated agency, such as SADPA will be expected to follow the norms of any other government department or agency. This means that it will need to formulate clear strategies and policies on how it is to spend its resources if it is to comply with the strictures of South Africa's *Public Financial Management Act* (PFMA³⁴). With increased public scrutiny and oversight, SADPA will be required to ensure that SADPA's funding decisions meet standards³⁵ of "transparency, accountability and the effective financial management" "in accordance with a system which is fair, equitable, transparent, competitive and cost-effective" (SA Treasury 1999). The logic driving this research is that SADPA will be pressured to establish an objective framework to justify its financing decisions so that its management will be able to guard against accusations that funding decisions are only politically motivated and exclusively in the interests of a captured elite. This research, thus investigates what such a framework would look like and what it implies for where SADPA should be investing its limited resources.

³³ See National Treasury medium term expenditure projections as per annual Estimates of National Expenditure

³⁴ SA Government (1999) <http://www.treasury.gov.za/legislation/PFMA/act.pdf>

³⁵ PFMA, Sections 215 and 217.

2.2 South Africa's International Policy (and Developmental) Objectives

South Africa's policy basis for asserting itself as an international development partner rests on the two pillars of "creating a better South Africa" through protecting the country's interests abroad, "and to [create] a better and safer Africa and a better world." Financing for these pillars is "through key vehicles such as the New Partnership for Africa's Development (NEPAD) and the African Renaissance and International Cooperation Fund; strengthening political and economic integration of the SADC; strengthening South-South relations"³⁶ (SA DIRCO 2010). Financing for international development cooperation is positioned under the Department of International Relations and Cooperation's (DIRCO) programme 4 which details allocating funding outside DIRCO's recurrent budget for participation in international funds and organisations as well as dedicated funding for development cooperation projects. Formalising South Africa's capacity to fund development cooperation abroad is cited in the foreword of the DIRCO 2010-2013 strategic plan, where Minister Maite Nkoana-Mshabane calls for "the establishment of a South African Development Partnership Agency (SADPA) to promote development partnership"³⁷.

Whilst the government has made broad statements to establish SADPA, however, it has been slow to live up to its policy commitments. So much so that one senior analyst at a 2015 conference on the subject commented that "in many ways SADPA is no more than a press release." (ISS 2015) The formal establishment of the agency has not gone according to government plans. This has meant that the organisational capacity that was needed to reinforce DIRCO's ability to contract, monitor and implement projects has not been created. Nonetheless, South Africa continues to spend consistently on development cooperation, financing projects through the African Renaissance Fund (ARF) facility but with an increasing bent towards acting as a 'development partner' rather than a donor. Contrary to some other donors' data on spending is easy to access and published annually in the Treasury's financial reports and forward looking spending plans. DIRCO reported that the 2012 and 2013 ARF expenditure at close to R1.1 billion³⁸. This is the basis for the notion that SADPA's

³⁶ ISS Study quoted in sections below.

³⁶ 2012 Estimates of National Expenditure, Vote 5 International Relations and Cooperation, Treasury, Pretoria,

³⁷ Department of International Relations and Cooperation Strategic Plan 2010-2013, Department of International Relations and Cooperation, Pretoria, South Africa,

³⁸ DIRCO and ARF 2013 Annual Report, Department of International Relations and Cooperation, Pretoria

budget will continue to be in the same region or at least around R500 million a year. Just over half of ARF spending was on humanitarian assistance with another 30% on socio-economic development.

Aside from the evident focus on being a 'development partner' in the acronym SADPA, the most consistent line on this approach comes from DIRCO officials themselves. Shoayb Casoo (SA DIRCO 2012), a director at DIRCO and regular participant in South African and international forums on development cooperation, goes to great lengths to argue that South Africa is not a traditional donor and rather a 'development partner'. Casoo argues that South Africa's is a very different approach to that of Northern or more developed countries. Indeed, the literature also speaks to how "increasing inequality, which is a feature of globalisation, is expressed both domestically within SA, and in its relations with the region" (Carmody 2014: 237). Much like other Northern donors such as Ireland or Italy that also struggle to reconcile domestic poverty with their role as an international donor albeit with a major difference in that "domestic public discourse about development cooperation [is] nearly non-existent" (Yanacopulos 2014:204). SADPA, accordingly comes across as a technocratic solution, with little evidence of public consultation in its apparent attempts to avoid the problematic practices 'traditional donors' are criticised for, instead latching on to what South Africa calls a 'South-South Approach'. Casoo (2012) asserts that "South Africa has a unique history, position and advantage to play a major role in Africa's development". South Africa claims it will differentiate itself from traditional donors because its approach involves "co-crafting the policy focus; sharpening the delivering mechanisms and broadening the instruments for development cooperation". How this is supposed to be achieved is laid out in Table 2.1 on the following page.

Table 2.1: SADPA's Framework and Approach

SADPA FRAMEWORK - DRAFT POLICY AREAS	SADPA APPROACH
PRINCIPLES	Solidarity; cooperation over competition, mutual benefit, equality, national ownership, creation of viable states based on self-reliance, sustainability – Philosophy of Ubuntu
AREAS OF SUPPORT	Includes both regional priorities and individual country priorities; both DAC and Non-DAC sectors
STRATEGIC APPROACH	<ul style="list-style-type: none"> •Demand driven priorities – co-crafted; mainstream issues; capacity focus •People Centred Development – development of societies; benefit people •Partnerships – Co-ownership, mutual benefit; North and South; South-South; and Non-Government •Catalytic initiatives – quality of progress rather than quality of aid; unlock potential •Development effectiveness – national ownership, sustainability, capacity generating, Paris Declaration •Results Based Management – results orientated
IMPLEMENTATION APPROACH	A flexible framework with many different development cooperation modalities and partnerships, but with good governance elements embedded in the methodology
INSTRUMENTS	<ul style="list-style-type: none"> •Mainly grants & technical coop. Loans, JVs & PPP's – with commercial sectors •budget, sector, programme, project, basket
ROLE OF PARTNERS	All partners must make a contribution & take responsibility for programme, and results
CONDITIONALITY	Development progress must support the partner/ region, procurement within the region; other conditionalities – to be determined on a case-by-case basis.
QUALITY ASSURANCE & M&E	Strong focus on rules for accountability, good governance, reporting and monitoring, knowledge management and evaluation (within limits); reporting to SA Parliament & public

Source: Casoo 2012

The problem with South Africa's logic that it will be a better donor compared to many Northern countries and their donor organisations is that they equally make similar assertions to what South Africa does above. They also argue that they are uniquely more ingenuous or less motivated by their own national interests than other donors. Furthermore, these assertions shared by traditional donors and South Africa alike are not much different from the emerging international trends cited in section 5.3 (below) on how donors internationally agree to promote greater partner country ownership and better contextualised programming. The European Union-Africa, Caribbean and

Pacific's *Cotonou Agreement*, for example, goes even further than South Africa does in this rhetoric of being an equal development partner. The Cotonou agreement actually transfers the contractual authority over EU monies to beneficiary countries to the point that the EU itself is unable to spend its own development resources without the express permission of the partner country. All this means, that whilst donors still treasure the concept of being a 'development partner' rather than just a donor, the term 'development partner' itself appears to be devalued with confusing and often competing definitions of what is meant depending on which donor is actually using the term. Simply put, when South Africa asserts it is different because its approach is as a 'development partner' rather than as a donor it only echoed claims made by the majority of traditional donors too.

When probed about what differentiates South Africa's approach, government officials tend to emphasise that South Africa's approach to international development in Africa is more genuine because of its shared experience as a 'third world' country of 'ex-colonial' status. When interviewed by phone in early 2014 a senior DIRCO official explained that international development "is in our DNA" (DIRCO Official, March 2014). He went on to say that South Africa has a moral imperative to provide development assistance because poverty "is like avian flu, what happens on one part of the continent affects us on the other. [You must not approach SADPA] thinking like a traditional donor, you must think about this from a South-South cooperation perspective." "We want a partnership approach that does not result in us telling them [meaning beneficiary countries] what to do."³⁹

The problem is that these assertions on their own do not guard against behaving in the same way as more 'traditional donors'. The Institute for Security Studies (ISS) 2013 reviews of South Africa's development programming in Burundi, Democratic Republic of Congo and South Sudan found that what South Africa actually finances and implements is largely no different to what other DAC donors do. Projects funded by South Africa are similarly designed, often using the same implementing partners (e.g. UNDP) and share the same sort of success and sustainability failures of other DAC donors. Despite South Africa's stated intention to differentiate itself from traditional donor failures, it is earning something of a reputation for simply replicating mistakes made in the past by traditional donors. As one Northern donor senior official quipped at a conference in

³⁹ O'Riordan interviews, February 2014 – interviewee name withheld.

Ethiopia (March 2014), "In terms of an African agenda and South-South cooperation, at present there is a lot of anti-colonial rhetoric. South-South cooperation is likely to end up in the same boat as north-south cooperation, with exactly the same principles of ownership etc."

It is possible that South Africa's intention to behave differently to Northern donors is not met because it just does not have capacity to do so, rather than being a sign of empty rhetoric. A survey of the literature, however, shows that the assertion that South Africa is different to other donors in that it sees African governments as 'equals' is not backed up by the evidence. In fact, the literature clearly points to South Africa having the same sense of superiority to the rest of Africa that many Northern donors are criticised for having. The Parliamentary Monitoring Group (2002)⁴⁰, for example, reports on the 2012 *Working Group on the African Union* where in presenting to parliament the Deputy Director General of the Department of International Cooperation (Foreign Affairs) "expressed concern at the *ignorance amongst some African countries*" (PMG 2002). The Deputy Director General went on to argue that South Africa should invest in international development cooperation to support "the fight against colonialism and poverty, and concerted efforts at nation building... constitut[ing] the building blocks towards African solidarity".... "It is against this background and the resultant marginalisation of the African continent that the concept of an African renewal has emerged. In South Africa, the notion of revival and renewal was encapsulated in the idea of an African Renaissance."⁴¹ These comments point to South Africa's policy makers positioning themselves as somewhat ahead of or more advanced than the rest of Africa. If anything, this implies that South Africa is emulating how Northern donors⁴² approach Africa with the presumption that they will lead rather than support, educate and 'conscientise' while helping poor Africa 'emerge'. More recently a May 2014 study on perceptions of South Africa by its peers in the African Union reveals the belief that South Africa behaves with a sense of superiority, acting more like a regional "hegemon" than a South-South development partner (Lucy and Gida 2014).

⁴⁰ <http://www.pmg.org.za/minutes/20020429-draft-report-working-group>

⁴¹ Parliamentary Monitoring Group, 2002 Working Group on the African Union

⁴² Yanacopulos (2014:205) also cites analysis drawing a similar thread between China, Russia, Poland, India and South Africa in that all of these 'emerging donors' appear to have a negative relationship between public support for redistribution at home and abroad implying an incentive calling for redistribution abroad wrapped up in a disincentive to do so at home.

From discussions in parliament, the narrative of superiority becomes wedded to a sense of moral obligation and a moral imperative in Government's official documents. On the second page of the Department of International Relations and Cooperation's *2010-2013 Strategic Plan*, Government reports that (*italics added*)

"Critical to our strategic approach in ensuring that the Consolidation of the African Agenda becomes a reality, we are all then *summoned or beckoned to relentlessly*: promote programmes aimed at regional economic integration; prioritise the implementation of NEPAD; work towards the establishment of a South African Development Partnership Agency (SADPA) to promote development partnership (the conceptual framework of which has now been approved and efforts will now be focused on design and operational issues); advance AU-EU relations in the context of the Africa-EU Action Plan; mobilise support for the harmonisation and rationalisation of RECs; strengthen the AU and its structures; continue to invest our resources in the promotion of peace, security and stability among countries of Africa; and last but not least, *champion the attainment of MDGs in African countries by 2015.*"

This imperative to intervene and 'improve' Africa might be tangentially linked to South Africa's political, economic and security interests but it is not motivated by those interests. Instead, as recognised by Vickers (2013), South Africa's foreign policy is driven and justified by the history of a struggle against apartheid, hence the appeal to idealised notions of 'solidarity' and struggles against 'marginalisation' and 'colonialism'. The foreign policy recommendations from the African National Congress's 4th National Policy Conference of June 2012 illustrate this point perfectly:

South Africa's "independent views and courage on the international and diplomatic stage have been acknowledged by many countries, their governments and political parties." "The emergence of growing economic powers, especially China, India and Brazil, have a perspective that is informed by their struggles against colonialism, and therefore accustomed to acting multi- laterally, thus share our commitment to rebuilding and transforming the institutions of global governance." South Africa must combat the "hypocrisy of Europe, the United States, and the NATO military alliance that is consistent with their divisive policies in the Middle East, as well as North Africa."⁴³

At least to some extent it would appear that South Africa's foreign policy and approach to establishing a development partnership agency is partially associated with a narrative of superiority (whether justified or unjustified) over other African countries. What this implies is that

⁴³ Paragraphs 7, 11, and 13, African National Congress's 4th National Policy Conference of June 2012

South Africa's policy makers may suffer the same superiority complex as traditional donors despite their trying to put forward the notion of a development partnership amongst equals.

2.3 South Africa's Competencies as a Donor⁴⁴

In August 2013, the South African Institute of International Affairs (SAIIA) released a report titled *South African Development Partnership Agency (SADPA): Strategic Aid or Development Packages for Africa?*⁴⁵ The report provides a unique insight into Government's thinking. In the section on South Africa's perceived comparative advantage, the author, Neissan Besharati, draws on official remarks made by the DIRCO Deputy-Minister Marius Llewellyn Fransman at what was a SAIIA-DIRCO Roundtable held in Pretoria in December 2012. This section shows that that South Africa's narrative on its competence as a development partner is in-line with how Northern donors conceive of their strengths. It is also worth noting that South Africa's understanding of its strengths and capacities does not seem to be backed up with any reasonable data or understanding of the complexity of the challenges at hand, a situation mirrored by many Northern donors. It is almost as if its sense of superiority over its African peers has fed the presumption that the challenges facing African Governments are easily overcome and thus do not require significant investment by South Africa in its own capacities to deliver as a donor or development partner.

Besharati (2013) reports that Government sees proximity and it being 'an insider' as a comparative advantage for South Africa because of physical proximity and the price of airfares. This is largely incorrect and belies common sense. While South Africa does have an advantage in Southern Africa, it is in practice as far away from western, central, northern and eastern Africa as European countries are, not because of physical distance but because of the number of flight connections required and the price of tickets. In fact it is often more expensive⁴⁶ to fly from South Africa to central, northern or western Africa than it is to do so from Europe. Due to growing numbers of

⁴⁴ A commentary on the Besharati report was also written up by myself as an oped to the South African Foreign Policy Initiative (SAFPI) web site.

⁴⁵ Neissan Alessandro Besharati, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa?* August 2013, SAIIA, available from <http://www.saiia.org.za/research-reports/south-african-development-partnership-agency-sadpa-strategic-aid-or-development-packages-for-africa>

⁴⁶ The most direct flight, Johannesburg to Juba on Kenya Airways was a 21hour flight costing \$1590 in May 2016 compared to \$760 from Paris to Juba, taking 15 hours. For many Western and North African destinations there are direct flights from European capitals but not so from Johannesburg.

flight connections, India, China, Turkey and the Gulf States are now considerably closer to many African countries than is presumed by South Africa's decision makers. Furthermore, this notion is even more difficult to understand when considering that South Africa's main donor activities are in Burundi, Rwanda, South Sudan and the Democratic Republic of the Congo. All of which are as, if not more, accessible from Europe than South Africa. At the same time the fact that Burundi and the Democratic Republic of Congo, and to a lesser extent Rwanda are Francophone, mean that linguistically South Africa is considerably further removed from French speaking donors such as Belgium, France and the EU.

Besharati (2013) goes on to report that DIRCO believes South Africa has specialist expertise not available to many Western donors, particularly in exporting South Africa's developmental model abroad. There is simply no evidence for this. Consider any sub-sector of development cooperation (from de-mining through peace-keeping to tax reform and public financial management) and the casual researcher will see established and well-resourced Western think tanks, training programmes, armies of consultants and international NGOs, quite able to compete with South Africa's best. Furthermore, even if South Africa has specialist expertise in its own 'developmental model' it is not immediately clear which countries in Africa are trying to emulate it. It sounds very optimistic to think that African countries will be more receptive to South Africa exporting its development model than they are to European or other developed countries exporting theirs. This consideration aside, it is quite plausible that more attention is paid on the continent to emulating Rwanda's and Ethiopia's developmental model than South Africa's. After all, Ethiopia and Rwanda are amongst the fastest growing economies in the world, while South Africa's growth is largely stagnant. Additionally, Ethiopia and Rwanda offer an example of a developmental model that is not accompanied with uncomfortable and often difficult to implement governance and rights reforms that are central to South Africa's developmental model.

Another comparative advantage cited by Besharati (2013) is South Africa's skills in peace-building, reconciliation and democracy, based on Africa's perception of South Africa "acclaimed as a beacon of democratic freedom in Africa." There was a moment in the 1990s when this was true but if Government really believes African officials think of South Africa like this today they are misinformed. North of the border, South Africa is unfortunately increasingly associated with

xenophobic violence, propping up Mugabe's brutal regime, devastatingly high crime rates and persistent corruption. It is unclear which African countries are striving to replicate South Africa's success story.

Besharati (2013) cites South Africa's institutional and human resource development capabilities as a comparative advantage. There is a basis to argue this might be plausible but it is much more nuanced than South Africa's policy makers appear to acknowledge. It is difficult to see how South Africa's training and research institutions compare to those in the West, particularly those in the USA, in terms of attracting Africa's elites. South Africa's comparatively low fee rate and the good standing of South African universities in Africa only works so far. For example, at the highest levels such as in doctoral programmes, the American academic machinery both better finances successful prospective students and typically offers them education and research ranked considerably higher on international scales than that provided by South African education institutions⁴⁷.

Outside of the academic sphere, however there has been some apparently deserved recognition⁴⁸, arising from the work of South Africa's government owned Public Administration Leadership and Management Academy (PALAMA) in strengthening the capacities of public officials in South Sudan, Burundi and Rwanda. PALAMA was credited for not only delivering well in terms of South Africa's own standards but also attracted the attention of other donors, with Canada contributing close to R120 million to the project at current exchange rates. Unfortunately, however, staff turnover both in the South African government and in the beneficiary countries, eroded PALAMA's gains and lays question to whether its success is replicable or simply the result of an exceptional official being able to deliver at the right time in the right context

Besharati (2013) correctly points out that South Africa has a comparative advantage in public financial management and tax collection. However, there is no evidence to suggest that African countries will be more open to South African advice on public financial management than they are to that from much larger donors like the World Bank and IMF. At the same time, the world class

⁴⁷ The University of Cape Town ranks best in the continent, for example. But on the QS university scale it ranks 171 with the top ranked universities primarily in the US, Europe, Japan and increasingly China.

⁴⁸ World Bank, South-South Cooperation Stores: 2012 Palama – Building public sector capacities in post-conflict countries, Washing DC: World Bank

expertise in the South African Revenue Service (SARS) and Treasury should not be confused for skills that are automatically deployed in an international development setting. From within SARS and the Treasury, officials act to implement policy with the support of their hierarchies and public institutions. On the other hand, when providing advice to other country officials on public financial management, there is no authority or institutional support to rely on. In an international development setting, public financial management is as much if not more so about diplomacy, persuasion and partnership building as it is about transferring a technical skill. There is little evidence to suggest that SARS and Treasury have invested in developing these softer skills necessary to be effective in an international development arena nor that SARS or Treasury are particularly committed to even doing international development work.

Lastly Besharati (2013) points to South Africa's success investing in infrastructure and agriculture. South Africa does appear to have strong capacities in infrastructure and agriculture but the deployment of such skills in the development cooperation space is limited because South Africa does not have (or has not made available) the depth of capital necessary to compete with Western donors, let alone its so-called 'southern peers'. The sheer volume of capital available for lending from China, Brazil, Russia and the Gulf States dwarfs South Africa's. That being said, South Africa's Industrial Development Corporation still enjoys a strong reputation as a competent development actor in Southern Africa that could perhaps be better mobilised by SADPA.

While Besharati's study implies that DIRCO may not have fully internalised its own capacity challenges, they are well recognised by senior Government decision makers at the executive level as reported in South Africa's *National Development Plan* (NDP) 2030. The NDP calls on the Department of International Relations and Cooperation to safe-guard and improve relations in the region but it starts with a withering assessment of South Africa's competencies in Africa. The NDP makes clear that South Africa is not seen as a peer or special friend by African leaders. Within "the southern African region, there is the perception that South Africa is acting as a bully, a self-interested hegemon that acts in bad faith among 5 neighbouring countries. As such, South Africa enjoys less support in the region than it did in the period immediately after 1994, when the country held pride of place among world leaders. Indeed, the difficulty the country faced in securing the top leadership position in the African Union, reflected South Africa's waning influence, as well as a number of other

factors that have limited South Africa's reach. While the issue of the African Union leadership has been resolved, a significant effort is required to increase South Africa's role and space that promotes and protects the comparative advantages of all countries on the continent towards mutual gain." (SA NPC 2012: 238) The NDP sees the role of SADPA to both repair these strategically important relationships and ensure sufficient organisational capacity that currently does not exist: "despite playing a key role in peace settlements on the continent, South Africa has gained little by way of expanded trade and investment opportunities. South African diplomats have great skill in drafting memoranda of understanding, policy statements and agreements, but lose momentum when it comes to implementing agreement terms or following up on promises of benefits." (SA NPC 2012: 238)

The NDP further observes that South Africa lacks the sort of capacities that DIRCO claims to have, which is in line with the Institute for Security Studies (ISS) 2013 findings on the effectiveness of South Africa's interventions in Africa. In Burundi⁴⁹, Memorandums of Understanding on "defence, education, agriculture, economic cooperation and sports and recreation" signed by South Africa in 2011 remain two years later in "an embryonic state". South Africa's interventions were seen as "ad hoc, piecemeal and without substantive impact". Despite South Africa "portray[ing] Burundi as a shining success story of intervention in Africa" stakeholders report South Africa as not being involved since 2009. The ISS analysts, commented that: "Returning to Burundi four years later we could find little trace of the ten years that South Africa participated in peace-making and peacekeeping activities, at a relatively substantial cost. Its post-conflict development and peacebuilding interventions have been too few and far between to make a visible and lasting impact. (Hendricks and Lucey 2013a)" Similarly in the Democratic Republic of Congo the Hendricks and Lucey (2013b) argue that "the majority of [South Africa's] interventions can be characterised as short-term and uncoordinated programmes that have lacked sustainable impact. There is also little evidence of follow-up or of monitoring and evaluation to [re]address issues as they arise." Bad "planning and a lack of understanding of the context may have produced tensions" producing an unintended consequence only too familiar to more established donors. ISS findings on interventions in South Sudan and Burundi, unfortunately paint a similar picture.

⁴⁹ ISS POLICY BRIEF 48 and Burundi Missed opportunities for South African post-conflict development and peacebuilding? OCTOBER 2013

This contradiction has not gone unnoticed by South African decision makers. Vickers (2013: 549) states that “as a development partner in Africa, which involves substantial aid spending, [South Africa] is not delivering any commercial dividends for the country, especially in situations where South Africa has underwritten the costs of peace, stability and post-conflict reconstruction. In several African crises, South Africa’s peace diplomacy has paved the way for external powers to enter these markets and reap the rewards.” Vickers (2013) goes on to point out that this picture is particularly stark when considering the Democratic Republic of Congo where despite South Africa’s intervention in the country, it found itself losing investment and trade opportunities not just to Northern partners but to emerging ones such as China too.

While Besharati (2013) does not touch on it himself another important comparative advantage that South Africa could deploy is its shared experience as a Southern development partner. For example, in the February 5th, 2014 interview with Mr. Casoo of DIRCO he pointed to the possible role South Africa could play in mediating tensions between Northern development partners and beneficiary countries particularly because South Africa can draw on experience as both a recipient of aid and a donor in its own right, thus appealing to both donors and recipients.

Much like India or Brazil, South Africa is a regional powerhouse with policy development capacities that make it a recognised international actor in its own right. In Africa, the ability to play this mediating role is further reinforced by its comparatively strong relations with other African countries and its commitment to the African Union. To deploy this comparative advantage, however, South Africa would need to participate in the global architecture at country level. In South Sudan, the Democratic Republic of Congo and Burundi, interviews with other development partners seem to indicate that South Africa is not participating in the architecture (often despite explicit invitations such as in South Sudan). Similarly, in Mozambique, South Africa is not participating in the global architecture at country level. One example, however, was uncovered. In Jamaica, South Africa participated actively in the global architecture at country level, even playing an important role in contributing to improving the relevance of international actors to Jamaica’s national policy making process. In 2012, South Africa participated and contributed to the international Development Partner’s Retreat in Kingston Jamaica on “achieving greater synergies” (PIOJ 2012) in

cooperation. In an August 14, 2014 telephone interview with the Jamaican Ministry of Finance⁵⁰, the official interviewed commented that Southern development partners are instrumental in empowering the Jamaican government's own policy positions.

The official pointed out that the narrative between Western developed and developing countries has in the past focused almost exclusively on adopting developmental models proffered by international development partners such as the World Bank. The implied logic is that if these models are adopted, development challenges will always be overcome. More problematically, however, should these Western models fail to deliver, the tendency is never to question the validity of the model itself but rather blame the failure on the partner country's unwillingness to implement the model as presented. With Southern development partners such as South Africa playing a greater role in the global architecture at country level, this tendency is balanced with other country cases in which the model fails. The primary added value, then of Southern development partners, is to be an ally to developing countries in questioning the applicability of Western packaged developmental models. When managed correctly, participation of Southern development partners is enormously beneficial for national interests because it creates the policy space in which the beneficiary country has immediate allies when it questions the applicability of a ready-made model. This has further tangible benefits because every country context is different and having the space and allies to help emphasise this points allows beneficiary countries, such as Jamaica, to insist that developmental models and their associated projects are better contextualised through more intensive debate on assumptions and conditions for replication.

Aside from the capacities challenges detailed above, there are few indications that South Africa is positioned to play an influential role when it comes to emerging themes that will likely shape the international debate on development cooperation. In section three the following emerging international priorities were identified:

- **Size of Funding and 0.7% of GNP Target:** South Africa has made no commitments to meeting the OECD DAC target of spending 0.7%⁵¹ of Gross National Product on international

⁵⁰ Conducted by Alexander O'Riordan with an official from the Planning institute of Jamaica in the Ministry of Finance and Planning.

⁵¹ The 0.7% ODA/GNI target was first agreed in 1970 in a UN resolution on 24 October 1970. It has been repeatedly re-endorsed at high level forums and meetings of international donors. In 2005, for example, the

development assistance. With South Africa being a developing country and few OECD DAC countries meeting the target there are good reasons South Africa should not aim to meet it. However, with South Africa currently spending only 0.05%⁵² of its annual budget or just over 0.01% of GNI on development cooperation, it will be hard for South Africa to justify getting greater influence by appealing to the level of the country's commitment. That being said, it is worth noting that South Africa currently transfers as much as R30 billion a year (just under 3% of GNP) (Fabricius 2015) in subsidies through the Southern African Customs Union. Should South Africa be able to redirect these subsidies to financing development cooperation, South Africa would not only become one of the world's most generous donors but also transform itself into the single biggest and possibly most influential development partner in Botswana, Namibia, Lesotho and Swaziland.

- **Transparency:** The ISS studies identified South Africa's processes for reporting, monitoring, oversight and selection as weak. DIRCO itself recognises the need to strengthen its capacities to manage and implement projects. Furthermore, there are no signs that South Africa is intending to submit data to transparency initiatives like the International Aid Transparency Initiative or even to the OECD, in a similar manner to how some of the Gulf States, China and the Gates Foundation are doing.
- **Joint Programming (and Differentiation):** The only country South African operates in that has completed joint programming was South Sudan but when approached to participate in 2012 the South African embassy was non-responsive⁵³. In Burundi, Rwanda and the Democratic Republic of Congo, the ISS criticised the South African initiatives as not being coordinated or

15 member states of the European Union agreed to reach the target by 2015 (although they are currently trending at only 0.3% for 2013 according to the OECD). The 0.7% target served as a reference for 2005 political commitments to increase ODA from the EU, the G8 Gleneagles Summit and the UN World Summit. To be fair the target is something of a thumb-suck having originated as a target of 1% put forward by the World Council of Churches. In the 1960's the OECD DAC members agreed the target in principle but when called to formalise their commitment successfully argued the target should be reduced to 0.7% because they estimated 0.3% flowed to developing countries in the form of private flows, by their nature out of governmental control. (OECD.org, The 0.7% ODA/GNI target - a history).

⁵² R500 million annual ARF allocation divided by R1 trillion 2013 general government budget.

⁵³ Alexander O'Riordan reached out to the South African embassy in 2012 in his role of coordinating the joint programming process in South Sudan. Despite repeated attempts to communicate the embassy never responded.

designed and implemented in parallel to existing coordination systems. That being said the research did uncover minutes of a coordination meeting in Jamaica where the South African ambassador to Kingston played an active role in trying to coordinate with other international actors. Additionally, it is worth noting that DIRCO appears to have invested considerable resources in coordinating its approach to designing SADPA with other emerging donors and consulting some South African civil society organisations and think tanks, notably the South African Institute of International Affairs (SAIIA), Institute of Security Studies (ISS) and Accord. Given the benefit of the doubt, there may be some interest in South Africa participating in joint programming and other joint initiatives. Nonetheless, South Africa is held back because of a lack of skilled staff at embassy level mandated to play an active role in the international architecture as it presents itself in beneficiary countries.

- **Climate Change:** The OECD's 2013 report on the state of development financing reports South Africa as being one of the biggest recipients of official development assistance financed climate change projects, implying significant local capacity. Additionally, there is evidence that suggests some national capacity in the sector, albeit embedded in private consultancy firms like One World and in international agencies like UNDP. Amongst government the Department of Environmental Affairs, is recognised by many as having a strong negotiations team, good technical capacities and strong policy making experience. South Africa also can draw on the capacities in state owned organisations such as the Centre for Science, Innovation and Research (CSIR), Industrial Development Corporation (IDC) and Development Bank of Southern Africa (DBSA). DBSA is purported to be in the process of strengthening its capacity to act as a national implementing agency for the South African government. If South Africa were to summon its expertise in the climate change space, it would likely have a comparative advantage it could deploy in competing with traditional donors in securing the confidence of beneficiary governments. This would especially be the case if South Africa would position itself as offering to share its technical expertise as well as experiences as an African government negotiating a good return from traditional donors when it comes to climate financing.
- **Fundamental Human and Democratic Rights:** South Africa has deep and extensive experience and capacity in the human rights and democratisation space. However, this capacity

has increasingly been seen as in conflict with the state. South Africa's continued support for Zimbabwe, the governmental response to xenophobic violence and recent steam rolling over constitutional rights in the 2015 State of the Nation Address has undermined South Africa's credibility as a government to lead in this space. Furthermore, the 2013 closure of Idasa, Africa's premier rights based organisation, has left a measurable capacity gap that does not bode well for South Africa, should it wish to project itself abroad as an influential actor in the human and democratic rights spaces.

- **New Deal for Fragile States:** The 2009 New Deal for Fragile States (OECD 2009) has created a very important opportunity for political and policy dialogue in fragile states. This is a significant shift from the past in which engaging with governments in fragile states was largely just a rubber stamping process or an after-thought to the international humanitarian and relief machineries. South Africa is actually very well positioned to play an influential role in this space. Not only has South Africa invested in raising its profile at the African Union but it also has credibility from Jacob Zuma's role in the Burundi peace process and Thabo Mbeki's in South Sudan. At the same time South Africa has strong South African organisations to partner with, most notably the Institute for Security Studies and the peace-building organisation, ACCORD. At this stage the only thing holding South Africa back from expanding its influence in this space is itself, in that it seems to show little interest in participating in the spaces created by the 'New Deal'.
- **Results:** South Africa's Statistics South Africa is one of the more competent statistical organisations on the continent and could prove to be a resource that SADPA could use. South African universities furthermore have comparatively strong statistics departments and are accessible to African governments partly due to their lower costs. However, a dearth of numeracy skills and strong domestic competition for skilled statisticians, monitoring and evaluation experts does not lend itself to South Africa easily deploying these skills abroad. Furthermore, the National Development Plan acknowledges that South Africa is far from meeting its own benchmarks for effective results based monitoring of government activities. Together these factors imply it is unlikely that South Africa will be able to expand its influence

through leading and or competing in the international debate on results in development cooperation.

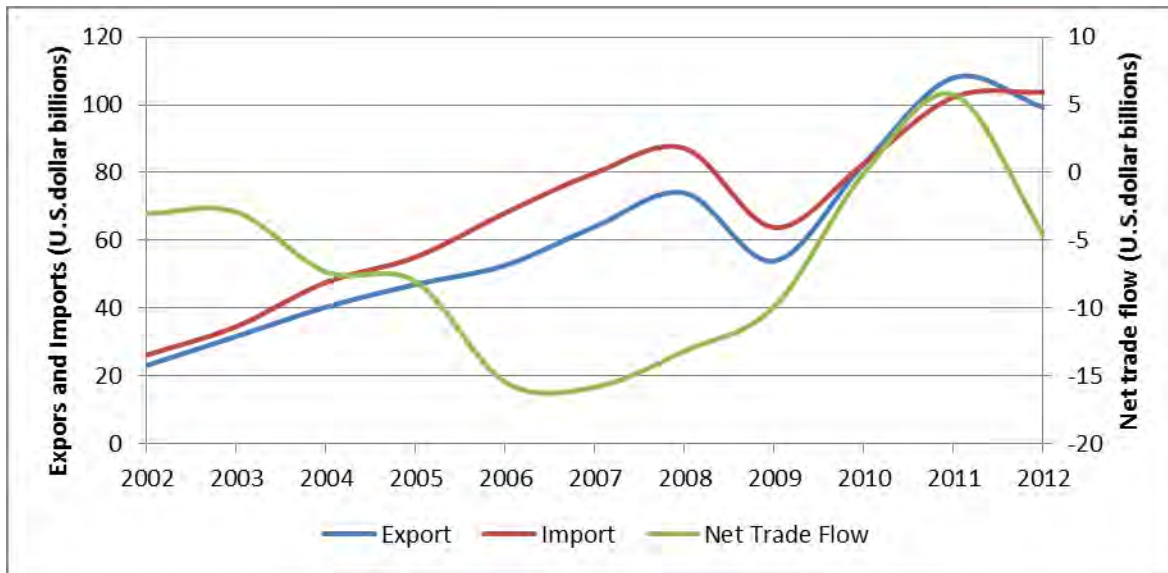
- **Complementing and Partnering with the Private Sector:** South Africa actually has excellent and possibly transferable experience in terms of how it partners with the private sector and state owned enterprises in development related projects. Notably the Mozambique development corridor and Lesotho water-energy schemes are very interesting projects that could be better show-cased and secure South Africa considerably more influence in the development cooperation space. This is especially so because South Africa's experiences are distinctly African and they are state driven experiences that resemble the sort of developmental state interventions that China is famous for.

2.4 South Africa's International Trade Interests⁵⁴

South Africa has experienced dramatic growth in its international trade (Graph 2.4.1) growing from a combined import and export total of under \$50 billion on 2002 to over \$200 billion in 2012. Dramatic export growth has tracked import growth meaning that South Africa is increasingly integrated and dependent on sustained international trade for its own national prosperity. At the same time, South Africa is not winning the trade war: a persistent negative net trade flow means that growing exports is a political and economic priority.

⁵⁴ All data in this section is drawn from the UN Comtrade database.

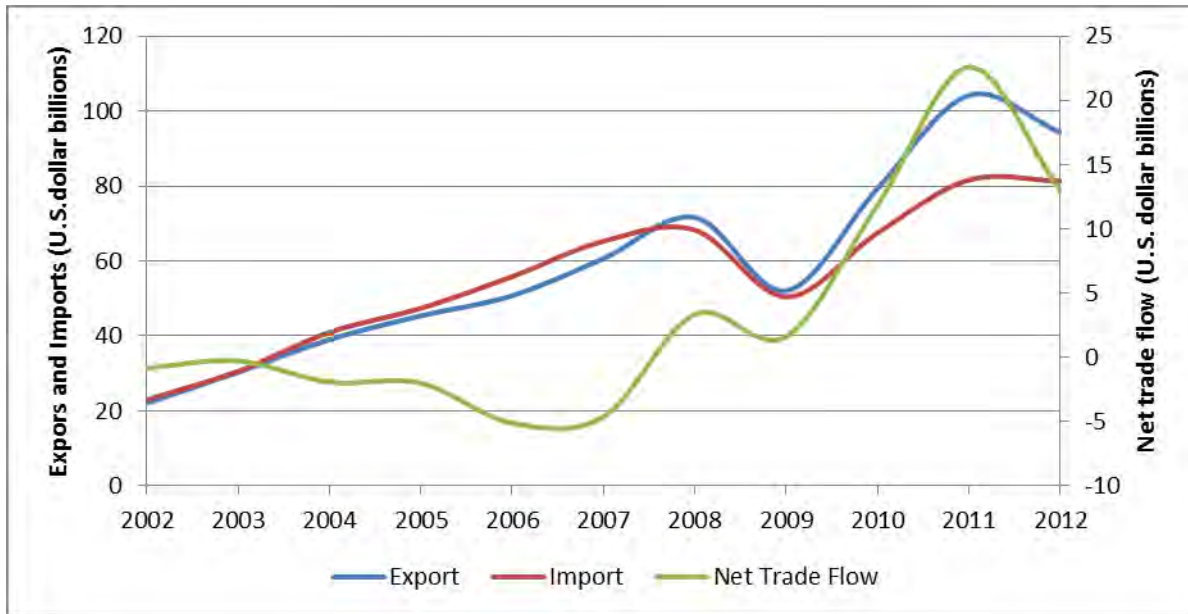
Graph 2.4.1: South African Trade Flows in Billions of U.S. Dollars



Source: UN Comtrade

When petroleum products (Graph 2.4.2), gas and electric current are removed from the trade data, however, it becomes clear that South Africa has something of an export advantage. On the one hand this means that the 2014/2015 subsidence in international energy prices should improve the trade balance but on the other, it means that South Africa's continued success and prosperity is dependent on safe, reliable and cheap access to imported petroleum, gas and electricity (the last two of which, as this chapter shows later on, make Mozambique a strategic priority waiting to be tapped).

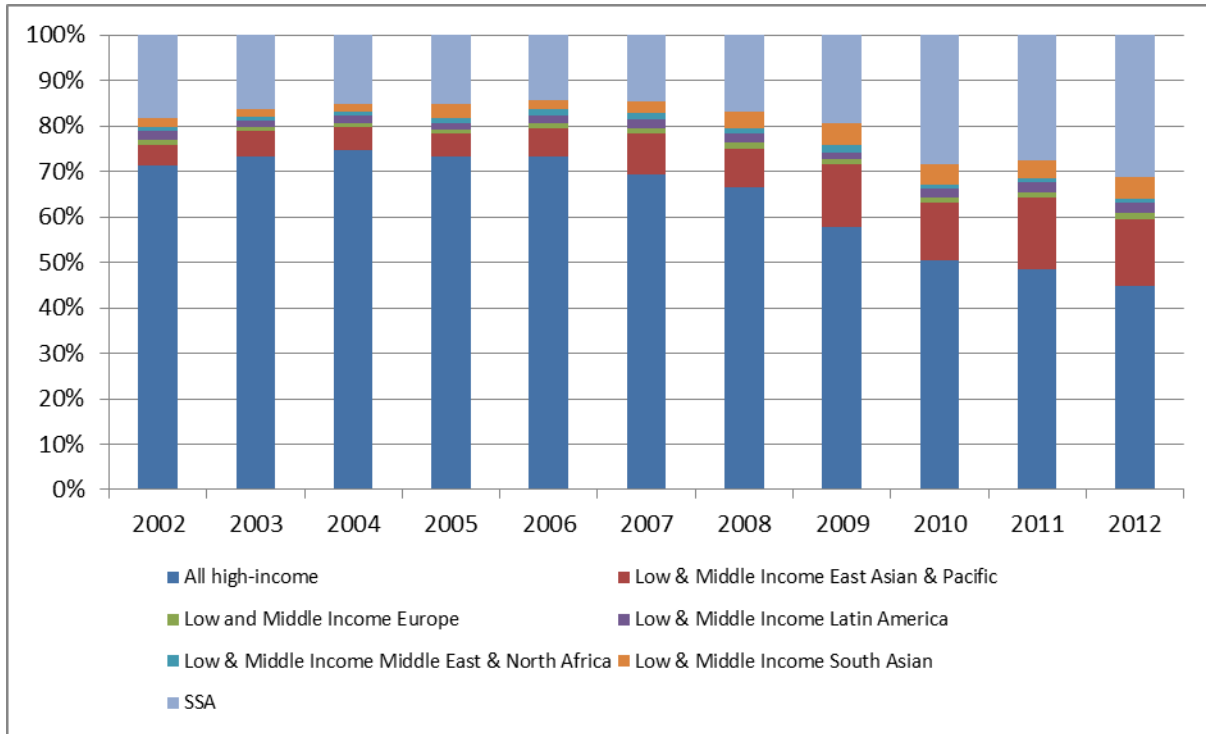
Graph 2.4.2: South African Trade Flows in Billions of U.S. Dollars (Excluding Petroleum Products, Gas and Electricity)



Source: UN Comtrade

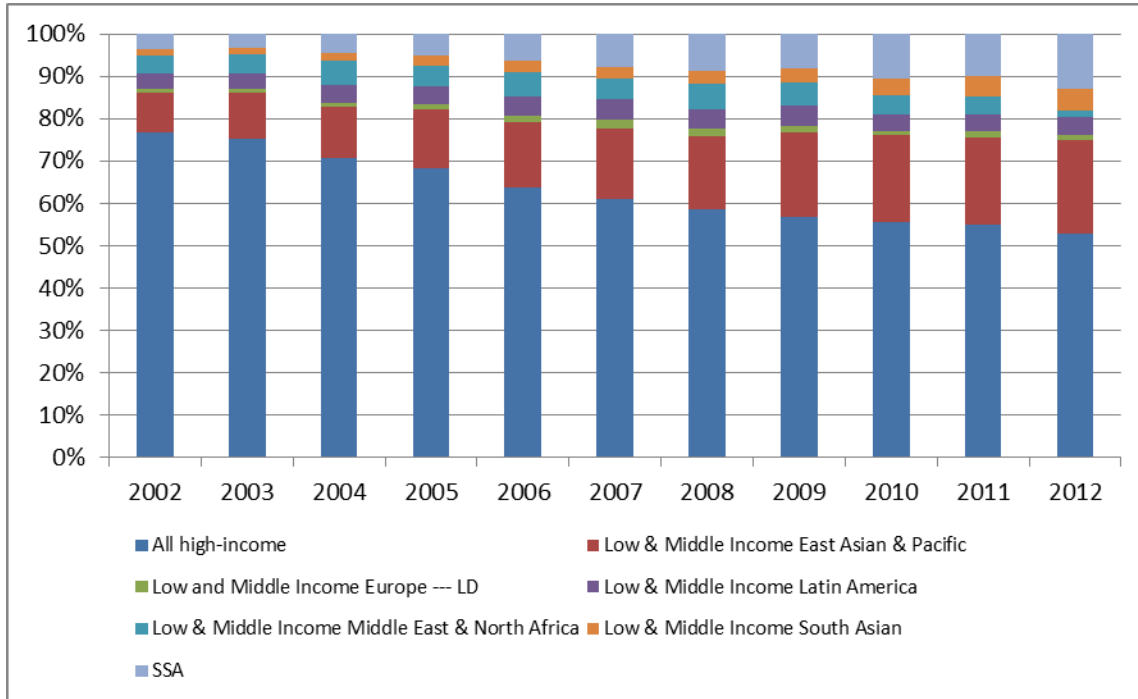
South Africa's major trading partners by geographic composition (Graphs 2.4.3 and 2.4.4) are detailed below. Here it is important to note the changing relationship with the most noticeable change being a move away from trade with high-income nations, (e.g. Western Europe and North America) and towards low and middle income East Asian nations and most notably sub-Saharan Africa which accounts for a growing and disproportionate share of South Africa's exports. Notably, South Africa's imports from sub-Saharan Africa are also skewed by a higher proportion of spend on energy related imports than any other region. This means that sub-Saharan Africa is both a strategically important growth market and an equally important source of energy.

Graph 2.4.3: Geographic Composition of Exports



Source: UN Comtrade

Graph 2.4.4: Geographic Composition of Imports



Source: UN Comtrade

The analysis of the data also shows that South Africa's exports are still resource dominated, with primary products and resources based manufacturing consistently accounting for over half of all exports. In 2012 these categories accounted for 53% of exports. The surge in 'other' exports is from the increased value of the gold South Africa exports. Gold is classified separately to other minerals as it is mainly just used as a store of wealth. As has been witnessed since the oil price slipping in 2014, other internationally traded commodity prices have slipped as well. If this trend continues, then, the possible boon from cheaper energy will be undone by the lower prices South Africa gets for its exports of gold, iron ore, coal and other extracted resources. Notably the data shows that imports are increasingly dominated by primary products because of South Africa's growing need to import fuels. In 2012 oils and crude accounted for 71 percent of all primary product imports. Imports of general electronics, cars and some processed resources drive the remainder of imports.

The top export partners (Table 2.4.1) shows an almost equal weighting of developed and developing partners for South African exports. The top ten export destinations consist of five developed nations and five developing nations, of which three are sub-Saharan Africa nations.

Table 2.4.1: Top Export Partners 2012

Rank	Nation	Trade Value (Billion US\$)	% of Exports
1	China	10.32	10.40%
2	United States	7.82	7.88%
3	Japan	5.70	5.74%
4	Botswana	5.07	5.12%
5	Namibia	4.08	4.12%
6	Germany	4.05	4.08%
7	India	3.72	3.75%
8	United Kingdom	3.34	3.36%
9	Zambia	3.06	3.09%
10	Netherlands	2.81	2.83%

Source: UN Comtrade

The top import partners (Table 2.4.2) are mostly a mix of industrialised nations and oil producers. However, China, India and Thailand also feature due to a rising role for developing nations as a source of low cost imports. China tops the list with an even larger percentage of total South African imports than exports.

Table 2.4.2: Top Import Partners 2012

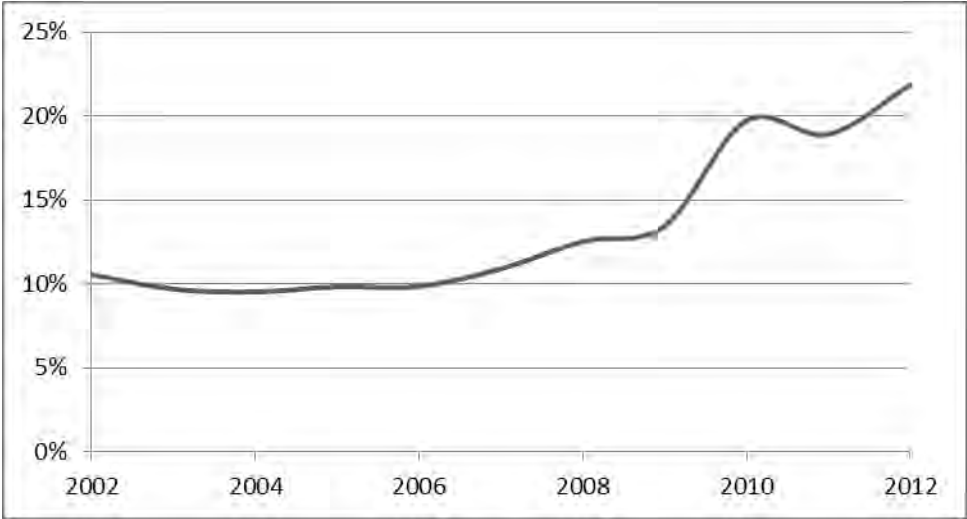
Rank	Nation	Trade Value (Billion US\$)	% of Imports
1	China	14.61	14.08%
2	Germany	10.23	9.86%
3	Saudi Arabia	7.94	7.65%
4	United States	7.48	7.21%
5	Japan	4.61	4.44%
6	India	4.59	4.43%
7	Nigeria	3.72	3.59%
8	United Kingdom	3.51	3.38%
9	Angola	2.80	2.70%
10	Thailand	2.70	2.60%

Source: UN Comtrade

The major energy producing nations of Saudi Arabia, Nigeria and Angola disappear from the top ten import partners without energy imports. They are replaced by the high income nations of France, Italy and the Korean Republic.

South Africa's trade with sub-Saharan Africa is becoming increasingly important (Graph 2.4.3), especially with regards to exports. Whilst South Africa's balance of trade with the world has deteriorated South Africa is experiencing a substantial and sustained positive net trade flow with sub-Saharan Africa.

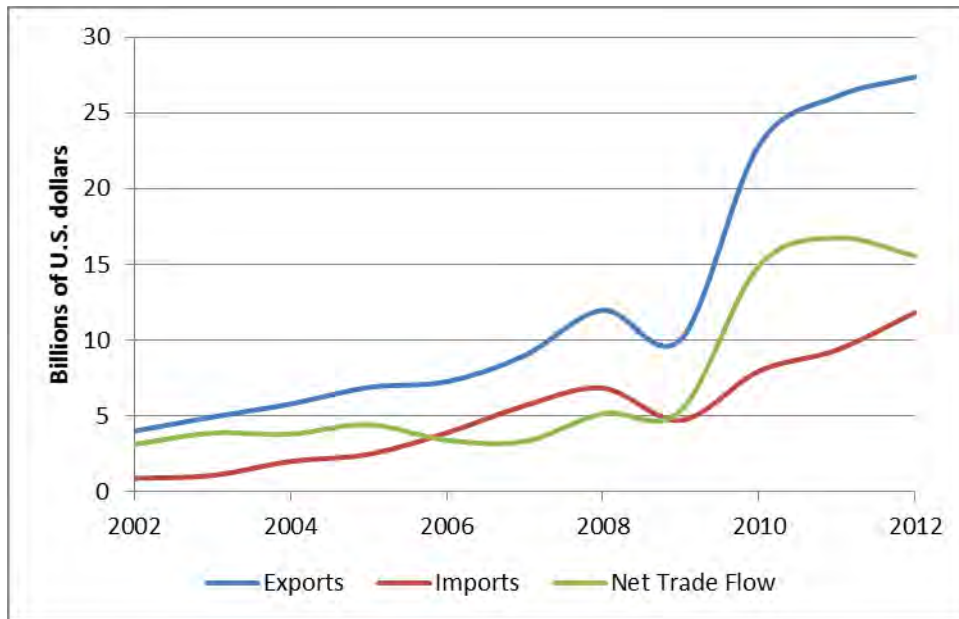
Graph 2.4.3: Percentage of Total Trade with sub-Saharan Africa



Source: UN Comtrade

South Africa's total net trade flow in 2012 approximated \$5 billion, but when sub-Saharan African's data is isolated, South Africa records a net positive trade flow of \$15.5 billion (Graph 2.4.4). The positive net trade flow with sub-Saharan Africa increases further to \$20.2 billion when energy related trade is excluded.

Graph 2.4.4: South African Trade Flows with sub-Saharan Africa in Billions of U.S. Dollars



Source: UN Comtrade

While the amount traded has increased, the distribution of exports and imports to sub-Saharan Africa amongst the various technology levels has not changed much over the decade. However, the distribution of exports is very different to that of South Africa's exports with the world at large (Graph 2.4.5 following page). The major difference is that the technological composition of South Africa's exports is much less resource focused for sub-Saharan Africa than the world. For sub-Saharan Africa it is the manufactured products which dominate exports, even the export of basic manufactured goods such as toys, pottery, furniture is larger than primary product exports. These manufactured goods, being not resource intensive, are perhaps more important to other exports because they are the sort of exports that keep South Africa's much need industrial and manufacturing industries growing. Furthermore, because this sort of manufactured good tends to involve value adding in South Africa, if managed, these exports contribute disproportionately to a positive trade balance.

South Africa's top export partners (Table 2.4.5) in sub-Saharan Africa are mostly its neighbours. The other export partners are fast growing commodity rich nations with expanding middle classes, national infrastructure projects and South African investors.

Table 2.4.5: Top sub-Saharan Africa Export Partners 2012

Rank	Nation	Trade Value (Billion U.S. dollars)	Percentage of sub-Saharan Africa Exports
1	Botswana	5.07	18.54%
2	Namibia	4.08	14.92%
3	Zambia	2.65	9.70%
4	Zimbabwe	2.42	8.84%
5	Mozambique	2.35	8.60%
6	Swaziland	1.86	6.79%
7	Lesotho	1.61	5.87%
8	Congo, Dem. Rep.	1.48	5.41%
9	Angola	1.00	3.66%
10	Nigeria	0.78	2.86%

Source: UN Comtrade

South Africa's top import partners (Table 2.4.6) are mostly neighbours, six of the top ten. The top three, Nigeria, Angola and Mozambique, are all oil and gas producers. All the import partners in the top ten barring Lesotho are major natural resource producers. Lesotho is a garments producer and able to export to South Africa free of duties through the Southern African Currency Union (SACU).

Table 2.4.6: Top sub-Saharan Africa Import Partners 2012

Rank	Nation	Trade Value (Billion U.S. dollars)	Percentage of sub-Saharan Africa Imports
1	Nigeria	3.72	31.47%
2	Angola	2.80	23.70%
3	Mozambique	1.27	10.74%
4	Swaziland	1.16	9.77%
5	Namibia	0.65	5.50%
6	Zambia	0.41	3.44%
7	Botswana	0.40	3.41%

8	Zimbabwe	0.38	3.21%
9	Lesotho	0.26	2.20%
10	Ghana	0.23	1.97%

Source: UN Comtrade

2.5 Selecting Beneficiary Countries

South Africa's selection of partner countries to invest development resources in seems to have been driven primarily by the opportunity to support or contribute to peace-building and stabilisation activities. In many ways the desire to reduce conflict on the continent should be lauded from a purely moral perspective. Furthermore, there is considerable literature that argues that South Africa has a unique skill set and comparative advantage in these activities. This is attributable to the combination of South Africa's regional military prowess, the ANC's struggle history, links to former African liberation movements and the experience of negotiating a relatively peaceful end to apartheid. At the same time, it is important to recognise that providing an African alternative to Northern peace-building and conflict resolution initiatives resonates strongly with the ANC's political vision and that of many other South African's too.

However, focusing its limited international developmental resources on conflict or post-conflict countries does not appear to be consistent with the government's stated policy priorities, nor does it respond to the criteria commonly associated to how donors and development partners select partner countries.

Table 8.1 below compares the relative importance of Burundi, the Democratic Republic of Congo and South Sudan (where South Africa currently finances international development projects) with Mozambique (where South Africa appears to have little interest as a development partner) using what the literature review (see 1.1) found to be the most commonly identified justifications that donors used to allocate aid. Mozambique was selected after reviewing and comparing countries in the region. Zambia, Namibia and Botswana were ruled out as some potential comparators because of current international trends to reduce funding to middle income countries, and Botswana and Namibia in particular. Swaziland and Lesotho were excluded because South Africa's financing of development there dates back to before the end of apartheid and thus has a continuing and complicated legacy. Zimbabwe was considered as an option but it was agreed that there were self-evident political dynamics that would prevent comparing South Africa's development programming there to other partner countries. Mozambique, on the other hand, proved an ideal comparator both because of its levels of poverty, potential economic growth, economic and security importance for South Africa.

Table 8.1: South Africa's Perceived National Interests

Poor (-2) Not Good (-1) Neutral (0) Good (1) Best (2)

	Burundi (0.11)	DRC (0)	South Sudan (0.11)	Mozambique (1.55)
Poverty Levels 2013 GDP per capita ⁵⁵ (Lower is Better)	\$267	\$454	\$593	\$1,221
Economic Performance 2013 GDP Growth ⁵⁶ (higher is better)	4.5%	8.5%	24%	7.1%
2012 Governance Indicators ⁵⁷ (Scale -2.5 to +2.5), greater is better. World Bank Gov. 2012 – 6 indicators ave. -2.5 to +2.5	-1.24	-1.63	-1.38	-0.35
Social Policy 2012 Infant Mortality	67	100	67	63
Bilateral Trade Imports+Exports ⁵⁸	R64 million	R15 billion	N/A, perceived potential value	R37 billion
Cultural/ Historical Ties ⁵⁹ Author Assess	Not part of public discourse	Some Commercial Interest	Historical Relationship	Historical Relationship, Diaspora, etc.
Migrants (inc. refugees) ⁶⁰ Number in SA	Very Low	18,545	Very Low	262,556
Liberation Narrative	Yes, SA is a credible peace	No, SA fails as the peace	No, SA fails as the peace	Yes, potential with struggle

⁵⁵ World Bank: World Development Indicators

⁵⁶ World Bank: World Development Indicators

⁵⁷ World Bank: Composite of World Governance Indicators, a composite of multiple international barometers and indexes.

⁵⁸ World Bank WITS database, 2013 series, exchange value set at ZAR11:US\$1

⁵⁹ In the literature survey links to immigrant populations was an important decider but in the literature was combined with cultural and historical ties. In this table migrant population was separated from cultural/historical ties because of the mixing of quantifiable and qualitative data.

⁶⁰ Population and key labour indicators by 10 most common countries of birth, population 15-64 years, 2011, 'Special Run' by Diego Iturralde of Statistics South Africa

Author Assess	maker	keeper	maker	history.
Visibility	Very little.	Very little.	Potential internationally.	Strong domestic potential.

Source: O’Riordan compilation for this research drawing on multiple data sources (see footnotes) and using the criteria drawn the literature review.

Leaving aside the 1994 once off debt relief of R1 billion owed to the apartheid government, Mozambique has received little attention from South African policy makers in planning SADPA’s future interventions. This is despite the fact that Mozambique is arguably South Africa’s most important economic, security and political opportunity on the continent and in the neighbourhood. Not only does Mozambique border South Africa, but it also has a population three-fifths the size of South Africa’s. With 26 million citizens and a GDP growth rate of close to 8% annually (World Bank 2014a), Mozambique will increasingly be important to South African exporters and service providers (e.g. financial sector, consultants, education, etc.). Mozambique currently imports R60billion (UN Comtrade 2014) a year over a third of which is from South Africa. South Africa in turn imports R10 billion a year (UN Comtrade 2014) of goods and services from Mozambique. Furthermore, Mozambique’s growth story is only set to improve. It has the second largest natural gas deposits in the world (Financial Times 2014) valued at between R3 and R6 trillion (price is volatile) as well as new coal discoveries. The economic opportunities in Mozambique are thus vast and there are also easy wins from a developmental stand point, such as in helping Mozambique improve its business climate (it currently ranks 139th on the Ease of Doing Business index (World Bank 2015)). Yet Mozambique is ignored by South Africa’s formally stated plans for SADPA.

This is counter-intuitive especially since Mozambique is already receiving support from other emerging donors including Brazil. Furthermore, the discovery of natural gas and South Africa’s growing need for cleaner and more reliable energy sources should make Mozambique an obvious strategic choice for energy and security reasons. Similarly, South African and Mozambique share a common interest in tourism and environmental protection in managing the trans-frontier national park, of which slowing the incursion of Mozambican poachers is a major priority.

Using a real politick lens, however, it is worth considering that there is a significantly higher reputational risk to South Africa in working as a development partners in Mozambique. Should South Africa fail to deliver a return on expenditure in Mozambique, the country’s very proximity

would likely draw considerably more public attention in South Africa. After all, it is much more likely that a failure in Mozambique would end up in the South African press than a comparable failure in a country like Burundi or South Sudan that is harder to get to and less in the public eye.

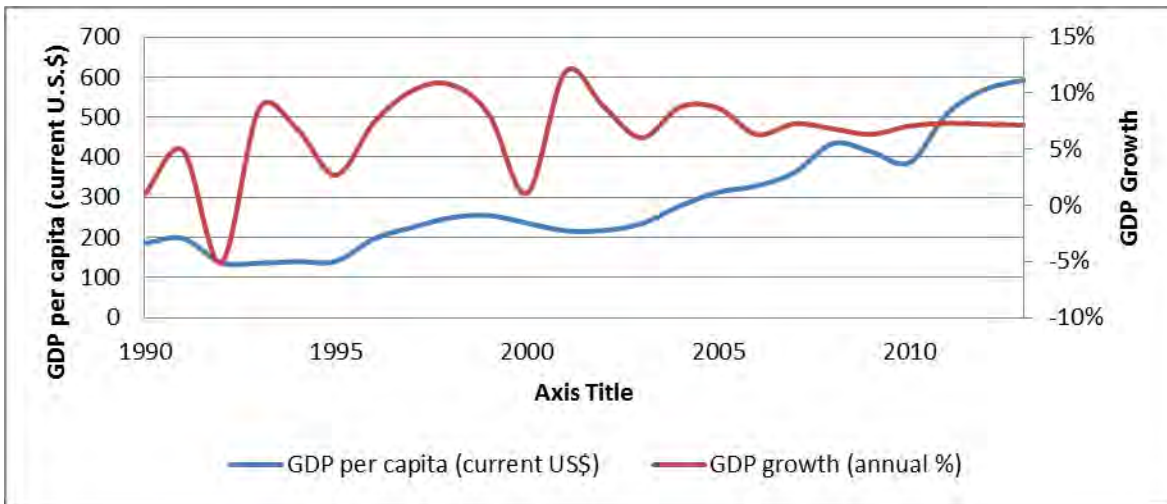
Section Two – Mozambique as a Potential Beneficiary of South African Aid

2.6 Mozambique at a Glance

Mozambique has a population of 26 million people that borders South Africa, Zambia, Tanzania, Malawi, Zimbabwe and Swaziland. It is a member of the Southern African Development Community (SADC), making it part of the SADC free trade zone that includes South Africa. Mozambique is overwhelmingly rural and coastal, with approximately 68% of the population living in rural areas and 60% on the coast (World Development Indicators 2014). Mozambique experienced rapid urbanisation in the 1990s this has since slowed and the urbanisation rate has plateaued at around 3.2% per annum. The population growth rate stands at 2.5% per year (World Development Indicators 2014).

Mozambique's economy has experienced spectacular, if turbulent, growth since the mid-1990s (Graph 2.7.1). Post 2005 the growth rate has settled at close to 7 percent annually (World Development Indicators 2014). This makes Mozambique one of the fastest growing nations in Sub-Saharan Africa and is projected to be the sixth fastest growing nation globally for 2013-2015 (World Bank 2013). Despite starting from an exceptionally low base the trend has been sustained. In 1995 the South African GDP per capita was 27 times that of Mozambique, by 2012 this became a much reduced but still significant 11-fold difference (World Development Indicators 2014).

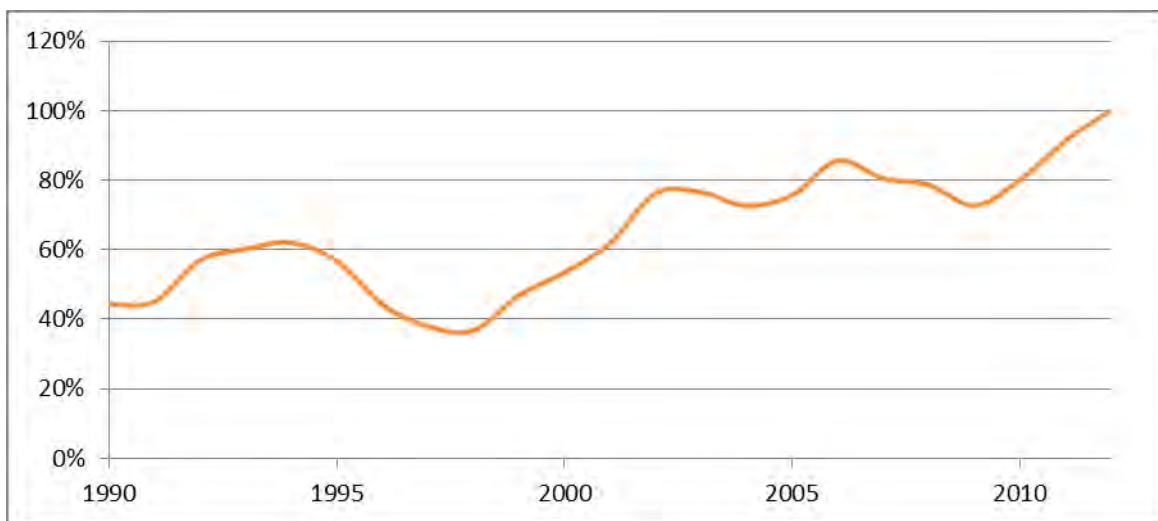
Graph 2.7.1: Mozambique's GDP per Capita and GDP Growth



Source: World Development Indicators

The combination of high growth (considerably higher than any other country in the region) and steady urbanisation makes Mozambique increasingly important for South African firms, who are expanding aggressively in Southern Africa and beyond. This importance is only heightened by the increased role of trade for Mozambique. The explosion in trade is shown by the value of trade increasing from 44% of GDP in 1990 to over 100% in 2012 (Graph 2.7.2) (World Development Indicators 2014).

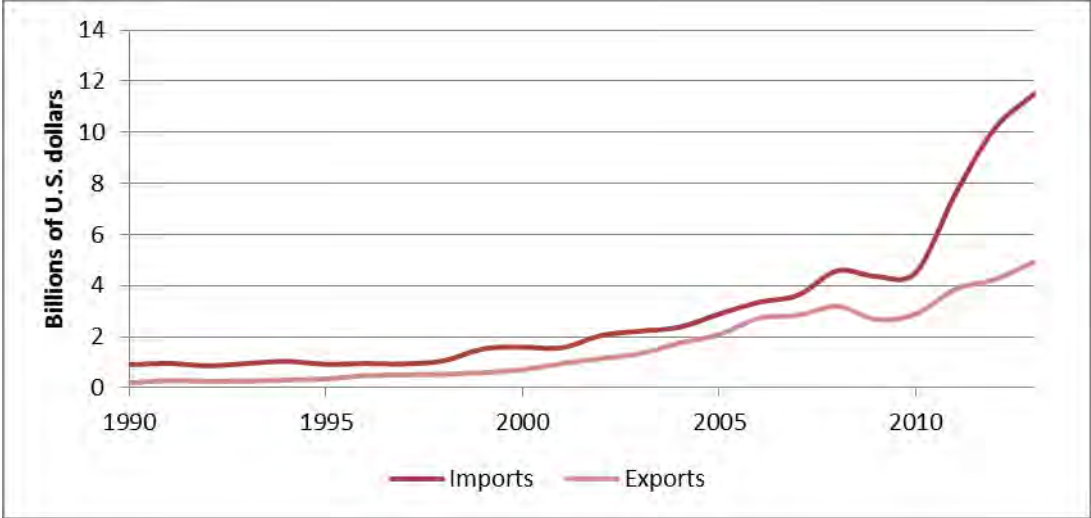
Graph 2.7.1: Mozambique's Trade as a Percentage of GDP



Source: World Development Indicators

While levels of trade have increased import growth has outstripped export growth (Graph 2.7.3). This suggests a nation with large opportunities for expansion of South African firms.

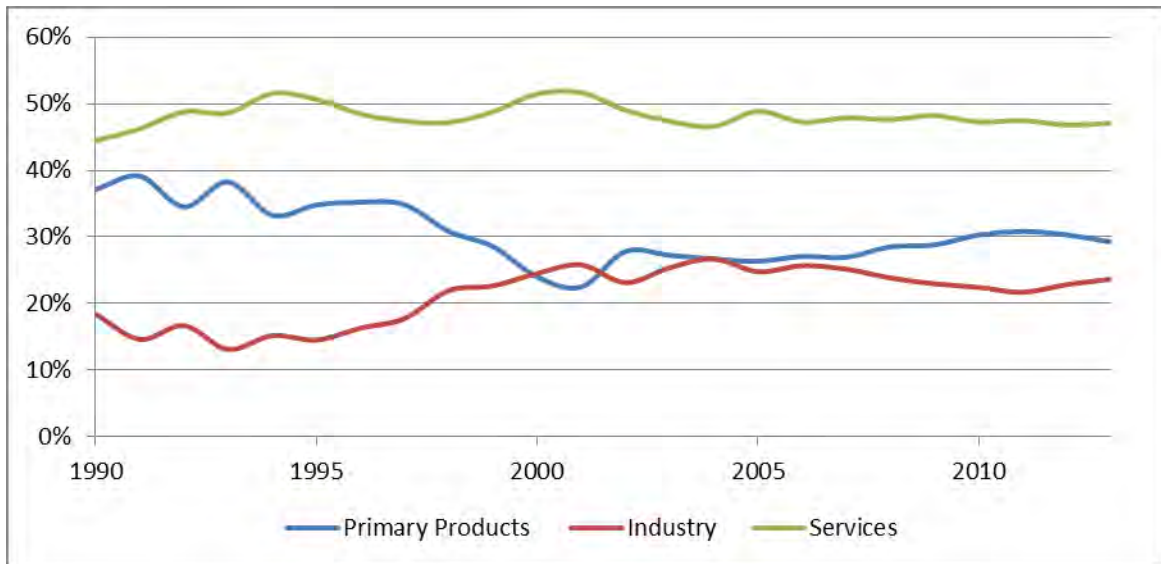
Graph 2.7.3: Mozambique’s Trade Flows of Goods and Services



Source: UN Comtrade

Mozambique experienced significant structural transformation in the early 1990s with industry’s share of GDP rising from 15% in 1991 to 26% by 2001. This was almost entirely a migration of production from primary products to industry (Graph 2.7.4). Services account for just below 50% of GDP, primary products less than 30% and industry over 20% (World Development Indicators 2014).

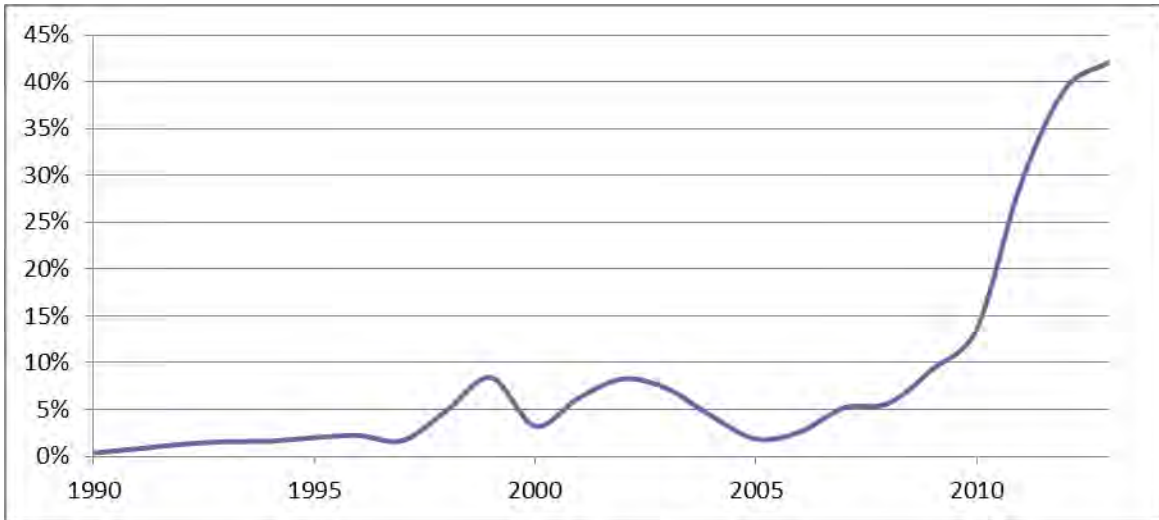
Graph 2.7.4: Mozambique's Percentage Contributions to GDP



Source: World Development Indicators

There has been a notable increase in foreign investment flows to Mozambique, accompanied by an annual economic growth rate of around 7%. Foreign investment has increased from 2% of GDP in 2005 to 42% of GDP in 2013 (Graph 2.7.5 on following page) (World Development Indicators 2014). Between 2003 and 2010 South African was the fourth largest contributor of foreign direct investment (FDI) to Mozambique and funded the largest number of projects. Its investment was R2.279 billion into 12 projects (Wesgro 2011) and appears to be, at least partly driven by, a race to get a stake in recent natural resource discoveries.

Graph 2.7.5: Mozambique's FDI Inflows as a Percentage of GDP



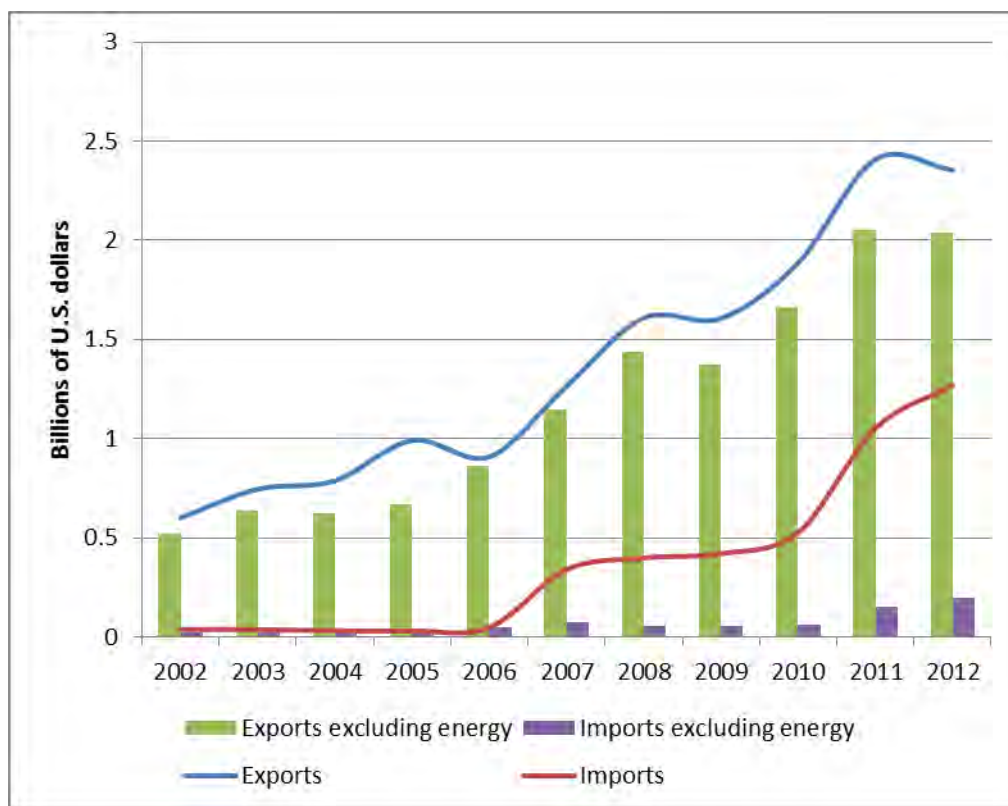
Source: World Development Indicators

Mozambique is an appealing market for South African firms. It is a fast growing nation with limited industrial capacity and growing demand for imports.

2.7 Trade with Mozambique⁶¹

South Africa's trade with Mozambique has increased dramatically in recent years with exports and imports generally tracking one another (Graph 2.8.1) higher. Mozambique is now South Africa's 5th largest export destination in sub-Saharan Africa and the 3rd largest source of imports. Among South Africa's global partners Mozambique ranks 14th for exports and 19th for imports but the growth rate considerably exceeds that of South Africa's bigger developed country markets. Imports from Mozambique are mostly about energy. Removing these imports (that South Africa would presumably need to procure elsewhere anyway), unmask Mozambique as a particularly valuable export market with a growing trade surplus: excluding energy, South Africa exports 10 times what it imports from the country.

Graph 2.8.1: South African Trade Flows with Mozambique



Source: UN Comtrade

⁶¹ All data in this section is drawn from the UN Comtrade database.

The composition of imports to South Africa from Mozambique is about a shift from primary product imports to resource based imports. The primary product imports from Mozambique were historically crustaceans and animal feed. In 2002 these two industries accounted for 67% of primary product imports but by 2006 were increasingly replaced by gas as the key primary product import. In 2012 gas accounted for 74% of all primary product imports to South Africa, enabled by SASOL opening an 865km pipeline from the Tamene gas fields in Mozambique to Secunda in South Africa in 2004 (SASOL 2004). Resource based imports was propelled by Mozambique exporting increasing amounts of refined fuel to South Africa since 2006, which sharply increased in 2011.

Primary products dominate imports from Mozambique once energy imports have been removed. The resource based imports are composed of briquettes and basic metal ores and scrap. Medium technology imports are mainly due to a single product: tube, pipes and fittings, of iron or steel. The basic export picture shows that the growth in value of trade has meant the export of electricity dwarfs all other exports from South Africa to Mozambique. There has also been notable growth in export of materials needed for industrialisation and infrastructure development, such as iron rods, coal for power, engineering equipment and trucks. Graph 2.10.4 shows the industries that account for just over 50% of all non-energy exports, thus showing that that non-energy exports are spread over a wide swath of different industries and economic sectors.

Imports to South Africa from Mozambique have shifted radically from garments and foodstuffs that were major in the early 2000s to be completely dominated by electricity, gas and refined petroleum. While the three energy sectors have grown sharply and increased their relative shares the other sectors have not necessarily shrunk absolutely, just relative to the growth in energy imports. Fruit and nuts imports have grown from \$0.2 million in 2002 to \$20.4 million in 2012. Amazingly these have been spurred on by just ten farmers, nine of whom are former South Africans, who now produce 45 percent of all bananas consumed in South Africa (Bisseker 2014). However, others have decreased - for example other fixed vegetable oils contributed \$1.8 million of imports in 2002 dropping to \$1 million in 2012.

These shifts are best shown once energy imports have been removed. The key industries included without energy imports account for over 70% of non-energy imports in each year. There are far fewer industries needed to constitute this share than in exports, implying that imports are relatively concentrated in a few key industries. However, much like exports there is still a lot of variation in which industries these are over time.

2.8 South African Expansion into Mozambique and the Region

South Africa has a growing private sector profile in Mozambique in terms of visible South African brands as well as large and small corporations. South Africa is also increasing the attention of state and non-state organisations on protecting South Africa's interests and projecting its brand into the local economy. The South African Department of Trade and Industry (DTI) has a representative office in Maputo and a representative office in Tete. The South African Department of International Relations and Co-operation (DIRCO) supports the Mozambique-South Africa Chamber of Commerce (CCIMOSA). On the Mozambican side, Centro de Promoção de Investimentos (CPI) and Ministério da Indústria e Comércio DASP (Ministry of Industry and Trade - Private Sector Support Unit) provide support to a growing South African business community in Mozambique.

There is a growing focus on Mozambique from many groups within South Africa even though South Africa has not used its aid in the country to complement its 'economic diplomacy'. DIRCO (DIRCO Official 2014 Interview) maintains that South Africa has a particularly good reputation in Mozambique, both with the Mozambicans and other nationalities operating there. South Africa and Mozambique hold bi-annual meetings between their respective Heads of State. South Africa's DTI clearly recognises the potential in Mozambique, having produced information packages and a general 'How to do Business in Mozambique' guide alongside sector specific information. The DTI also promotes South Africa's exports and business interests with 'outward selling missions' and 'inward buying missions'.

Mozambique has a very different legislative framework to South Africa with, for example all land owned by the government and leased to firms or individuals rather than freehold like is the case in most of South Africa. The Mozambican bureaucracy is notoriously complex and not conducive to entrepreneurship. The World Bank's (2015) ease of doing business index ranks Mozambique at 133

in the world compared to South Africa at 73 for example. In terms of this business enabling space, it is notable that South Africa already has a track record that could be pivoted into aid or development cooperation. Petty corruption has been reduced at the border with South Africa and there is progress in reducing the costs of moving goods across the border through establishing a one stop border post that is now paperless. There is combined law enforcement in the Maputo Corridor between South Africa and Mozambique with the South African Police Services having a representative at the High Commission in Maputo.

As the number of consumers grows in Mozambique the lack of a developed formal local retail presence has made South African retailers particularly visible in establishing operations across the border. Pepkor (Pepkor Interview 17 December 2014), for example, has over 40 stores in Mozambique, with 20 in Maputo. These numbers are growing fast with 2014 alone adding 5 of these stores - growth of over 14%. Likewise, Checkers, Woolworths and other South African brands are planning to expand their existing presence in Mozambique or else enter the market. Even Woolworths has Maputo stores. These firms appear to be encouraged by the SADC free trade agreement that allows them to import goods into South Africa and then re-export them duty free to a SADC nation such as Mozambique. The large South African retailers have a comparative advantage in distributing these international goods into Southern African nations and even into Mozambique. This is due to the lower import, logistics and distribution costs associated with using Durban harbour for the whole Southern African region as opposed to those using Maputo exclusively for imports to Mozambique.

The largest barrier to further expansion of South African firms appears to be in the form of non-tariff barriers such as in onerous red tape, corruption and resentment of perceived South African encroachment. In all these issues the retail firms feel like they receive little or no support from the South African government. In most cases firms rely only on their own capabilities and influence to deal overcome barriers. When retail firms do seek government support it is seldom seen as forthcoming and often unsympathetic. Retailers perceive themselves as leading the expansion of South African firms into Southern Africa but not having their interests seen as politically important. Government is viewed as preferring manufacturers in South African expansion over retailers. Interestingly this has led to some firms building private sector capacities to address systemic

barriers rather than relying on the government. Information on doing business in African nations comes from Rand Merchant Bank (RMB 2014) and negotiations with host country government officials are reported as being facilitated by already established South African multinationals in that country rather than through diplomatic representatives.

The way 'brand South Africa' is viewed in Africa is also seen as an issue with one retailer (Retailer Unnamed December 4 2014) reporting (as also acknowledged by the government [SA NPC 2012]) that they unofficially work to brand themselves as local rather than South African retailers to avoid accruing negative reputational associations that come with being seen as South African. The respondent argued that there is a widespread view of South Africa as a hegemonic power, the spread of whose influence in Southern Africa and Mozambique in particular is not welcomed. The respondent reported in his experience that many South African firms avoid associating themselves with other South African firms or government officials. This has also resulted in an unofficial policy of employing locals as much as possible with only the top management positions served by expatriate South Africans.

As such it would seem that there is an obvious opportunity for South Africa to use its aid both to raise its profile in Mozambique and in support of its own economic interests and that is in working to improve the business enabling environment through easing cross-border trade (enabling greater access by South African retailers) and in reducing the bureaucratic impediments to doing business in Mozambique (making it easier for South African entrepreneurs to invest and operate in the country). The next section, then, analyses the aid architecture at the national level in Mozambique to assess whether such an engagement is feasible.

2.9 Mozambique: The Aid Architecture at the National Level⁶²

"South Africa and Mozambique enjoy strong historical ties based on geographical proximity and the role played by Mozambique in providing solidarity during the struggle against apartheid and colonial oppression,"

President Zuma's spokesperson Mac Maharaj, news24.com, 15 January 2015.

Traditional donor countries have an enormous influence in Mozambique spending in the region of R20 billion annually⁶³ (about one sixth of GDP) on the assistance development partnership. Since discovering enormous gas reserves, graphite, coal and other minerals Mozambique's international development partners talk about trying to transform what was largely seen as a less strategic donor-recipient relationship into one built on mutual respect and dialogue. Partly this transformation is being driven by the perceived waning of the influence of aid on countries like Mozambique. Reading the EU's 2012 *Agenda for Change*, it is clear that the EU's reference to programming in "a rapidly changing global environment" is about the need to strengthen global strategic relationships to compensate for the increasing anxiety that the influence of traditional donors is being supplanted by so-called South-South relations. At the same time, traditional donors are clearly embarrassed at being caught flat footed by the rise of the 'Arab Spring' (explicitly referred to in the EU's 2012 *Agenda for Change*) despite their stated policy of promoting democratisation across the region. Furthermore, the inability to capitalise on such seismic democratic moments to fundamentally democratise countries like Egypt is putting renewed pressure on traditional donors to move from partnerships to delivering "results" as the UK has so aptly titled their recent policy (OECD 2014).

In Mozambique, Brazil is a notable 'Southern power' providing development assistance as part of a wider charm offensive emphasising a common colonial history. At the same time, the enormous investment, estimated at over half a trillion rand (O'Riordan 2014) is focused on exporting Mozambique's natural gas to India's ravenous market, despite neighbouring countries having their

⁶² Between January and June 2014, Mozambique was visited three times and representatives from Belgium, Canada, Denmark, Germany, the EU, France, Ireland, Portugal, the Netherlands, Norway, Sweden, Switzerland, the UK and the USA were interviewed. The analysis in this section, however, is based on publically available policy and only draws on the information gleaned from interviews to contextualize the respective policy and strategy documents within this research.

⁶³ OECD, Official Development Assistance disbursements, average of 2003-2012

own energy challenges. Furthermore, as is the case in much of sub-Saharan Africa, China⁶⁴ appears to be winning more than its share of lucrative construction contracts and seems to command the influence of senior Mozambican policy makers. Few traditional donors are taking this possible erosion of influence lying down. Portugal strongly protects its relationships and interests through maintaining an effective 'Portuguese' chamber of commerce. Italy is strongly pushing its industrial and related service companies into Mozambique in a bid to capture a share of the resource boom and France has recently been criticised for under the table deals of critical ships and possibly even armaments to Mozambique. Even the US's 'out-grower' agricultural support schemes in Mozambique are seen by some as securing supply chains for American corporations in Mozambique. Obama's 2013 (US Government 2013b) announced 'energy for Africa' initiative is clearly about supporting American energy corporations, such as General Electric, to gain a stronger foothold in Africa. Strangely while other foreign representatives will speak quite openly about their head quarter's anxiety over competing for influence and economic access in Mozambique, they note that South Africa largely appears uninterested. Conversations with DIRCO in early 2014 confirmed that South Africa is more focused elsewhere in the continent in terms of extending its influence in the developmental space.

The official 'development space' for international actors to dialogue and influence Mozambique is in relation to its Poverty Reduction Strategy Paper (PRSP). The Plano de Acção para a Redução da Pobreza (PARP) (Mozambique Government 2011) was drafted in consultation with development partners and non-state actors. The PARP was formally adopted by the Council of Ministers in May 2011 and covers the period to 2014 with three primary objectives: (1) increase output and productivity in the agriculture and fisheries sectors; (2) promote employment; and (3) foster

⁶⁴ China finances infrastructure loans at a 2% annual interest rate with a twenty year loan period and five year grace period (Bangladesh Government Interview, 21 August 2014). While the loans are tied to using Chinese (usually state owned) construction firms there is a perception that the services provided are cost effective although Mozambique is usually only an observer in the procurement process. While the lending rate is higher than the World Bank's it does not come with cumbersome governance and reform prescriptions and is also seen as accruing cost advantages in that the World Bank loans tend to involve extensive and pricey use of World Bank teams and consultants for feasibility, technical and other studies. In comparison OECD concessional loans can cost as little as 0.01% but tend to be smaller in size and harder to get. Compared to the cost of borrowing on the domestic or international markets, China's lending rates and conditions are very competitive.

human and social development. This should be supported by fostering good governance, macroeconomic stability and sound public financial management.

Mozambique has recently begun work on a long-term 20-year National Development Strategy – the *Estrategia Nacional de Desenvolvimento (END)* (Mozambique Government 2012) was released in January 2012 for consultation. Mozambique’s development policy is evolving in recognition that its slowing rate of poverty reduction might be mitigated with new natural resource discoveries, particularly coal, natural gas and oil. To capitalise on its new resource base, the END focuses on: (1) industrialisation and competitiveness (value addition, heavy industry and improved business environment); (2) human capital (health, education, social protection) and (3) research and development (infrastructure development and territorial planning, also in support to rural development). In the near term future there are evident opportunities for policy dialogue both on the END and on the expected revisions to the PARP.

The EU, EU Member States and the United States of America cumulatively provide the majority of all grant aid (estimated at R12 billion in 2011⁶⁵) to Mozambique that includes extensive technical assistance, often playing a critical role in delivery of critical public services. International lenders and particularly the Bretton Woods Institutes play an instrumental role in negotiating Mozambique’s macro-economic policy. The EU as a block is a bigger trading partner than even South Africa being the market for 60% of exports (30% goes to South Africa) and the source of 15% of imports as well as 57% of Foreign Direct Investment in 2010.

Narrative, Dialogue and Rhetoric: Entry Points to Influence Policy Making

Traditional donors in Mozambique emphasise the notion of an effective development partnership to gain access to and influence with government decision makers. In this regard, coordination and dialogue with government is strongest in the so-called G19 group. The G19 group comprises nineteen international representatives and is a working forum to build consensus and negotiating positions on public sector reforms and structural adjustment. The G19 is influential because it combines the pooling of analytic and negotiating skills of participating traditional donors with the financial incentives of budget support programming and conditional lending mainly from the World

⁶⁵ See OECD data in annex.

Bank. Budget support programming provides grant financing directly into Mozambique's general budget. Without continued budget support Mozambique would be forced to dramatically roll back essential services in health and education amongst others whilst also needing to find fresh sources to replace the foreign exchange it delivers. Additionally, the international architecture at country level has evolved into 'thematic working groups' in macro-economic stability/inclusive growth, Public Financial Management (PFM), transport, education, health, agriculture and rural development amongst others. In most cases these thematic groups act primarily to share and collect information, building coalitions and monitoring purposes. These groups are seen as being more effective when they are able to attract the attention and participation of senior officials from Mozambican line ministries.

The international architecture coalesces around a rhetoric of mutual strategic objectives, in a bid to justify speaking to or analysing sovereign issues that would not normally be tolerated in a developed country context. The key themes are:

- Promoting transparency, accountability and rule of law to improve responsiveness and protection of citizens as well as to manage, allocate and spend future revenues.
- Sustained poverty alleviation through inclusive growth, income generation and redistribution, rural development, environmental sustainability, infrastructure and promoting social stability.
- Promoting a conducive business environment (and corporate social responsibility) for both local and international companies to thrive. This includes tackling security weaknesses that threaten joint interests while promoting companies that respect international commitments on anti-bribery and tax transparency (e.g. through peer reviews of reporting systems). Hence developing synergies among trade promotion, improved business environment and good governance.

The narrative form, then, is grounded in traditional donors presenting their relationship with Mozambique as being a development partnership amongst equals, thus combatting Mozambican criticism of Northern self-interest. The narrative structure follows the line that traditional donors are development partners, only helping Mozambique be more responsive to its citizens' needs, so as to combat poverty through promoting a conducive business environment. Each step in the

structure provides Northern partners the legitimacy and foundation to analyse, question and seek to influence the most important structural aspects of Mozambique's economic and political policies.

Recently, however, concerns that Mozambique is increasingly interested in strengthening its relationships with emerging powers such as India, China and Brazil, without consulting the traditional donors, has led many to fear that their influence is on the decline. A number of European diplomats communicated (in confidence) that there is explicit pressure from their respective headquarters to improve the leverage they have in Mozambique. This would be achieved through better utilising a combination of aid, trade and private sector investment. In this regard, one of the dominant assertions communicated by traditional donors is that Mozambique's relationship with emerging powers will not deliver results and eventually be dismissed as nothing more than bluster. To punctuate this narrative, traditional donors in Mozambique are actively trying to shift the nature of the 'development partnership' to one anchored in 'results' reporting that is intended to draw the line between the government's own national statistics and Mozambique's relationship with Northern countries⁶⁶. The implication is that if traditional donors can recast Mozambique's national successes as being impossible without the 'development partnership', then it will be easier to argue that Mozambique's relationship with the developed world is more valuable than what is offered in partnership with the developing world. The way in which this is being put forward is in focusing criticism on the quality of Mozambique's own results reporting systems (through the PARP), whilst offering better quality results through the promise of donor funded results systems⁶⁷.

In this regard, traditional donors in Mozambique are getting ready to invest more in strengthening their brand as preferred partners by moving to implement the 2011 Busan Partnership (OECD 2011) commitments to 'development effectiveness'. The Busan Partnership essentially lays the foundation to invest poverty alleviation monies in securing greater influence with non-state actor

⁶⁶ While the PARP has a strong monitoring and results framework, Northern donors are quick to dismiss the quality of the reports and systems in place even though donors' own reporting is based on qualitative information at best and at worst reconfiguring Mozambique's own national statistical data.

⁶⁷ While there is good reason to believe the current focus on results is about improving return on aid expenditure, there is also good reason to consider that this is a politically motivated manoeuvre. As the OECD reports (2014:7) "DAC members report a lack of institutional demand for results information for decision making and learning" meaning that the results agenda is itself being driven at the political level and is not of any real interest to the organisations and bureaucrats that themselves critique the quality of national reporting systems.

elites such as in the private sector or in specialised interest groups. In calling for greater inclusiveness in the governance of development cooperation, traditional donors now have a much stronger basis to directing development resources at building relationships with non-state elites as well as government and civil society. The EU (2014f) in particular has further facilitated this by building its capacity to do 'blending' that essentially uses (blends) aid grants to subsidise loans and investments to the private sector. Furthermore, the renewed focus on demonstrating and communicating results, gives traditional donors additional ammunition to strengthen their reputations and accordant political capital in recipient countries.

Traditional donors acknowledge that the government's attention is going to be increasingly focused away from dialogue with them and towards the genuine developmental and patronage opportunities that come with increasing investments in the extractive industries and their associated supply and service industries. Given the global financial crisis, it is unlikely that Northern donors will increase aid or investment to Mozambique to maintain their current level of influence. Instead, the strategy appears to be to engage government about ensuring that new revenue and investment contributes to economic diversification, better delivery and more effective and transparent governance in a way that ensures traditional donors maintain a 'seat at the table'. The donors interviewed all acknowledged that Mozambique's changing revenue base and fast rising investments from emerging powers Brazil, India and China⁶⁸ mean development cooperation will increasingly be complementary to government's own resources and spending plans. Aside from the effort to ramp up the discourse on equitable development and calling for new resources to benefit 'the electorate', at least European donors hope to shore up their influence through growing their subsidised loan programmes such as the European Investment Bank (EIB)⁶⁹ and EU Member State development banks (e.g. France's Proparco and Germany's KfW).

⁶⁸ India's investments reached US\$1 billion in 2011; China become the second largest investor in Mozambique in 2010 and Brazil announced US\$4 billion in investments for 2009-2013.

⁶⁹ It is notable that EU's recently adopted development policy, *Agenda for Change*, also allows for a new modality that 'blends' grants with loans thus allowing the EU to further subsidise lending in Mozambique.

At the same time, it is important to note changing approaches to development with South Africa (Mozambique's largest neighbouring and regional economy) adopting what appears to be a 'developmental state' or interventionist approach (in line with China's) to social and economic development. This will likely accelerate the competition between Northern backed development cooperation models as being about enabling private sector growth and the Chinese style model of state driven development that eschews the role and influence of traditional donors on Mozambique's public policy debates. In this context, it is likely that Northern donors will need to transition their funding away from financing recurrent expenditure to investing in opportunities for catalytic change thus more visibly demonstrating the value of a Mozambique's partnership with them. It is furthermore likely that Northern donors will increasingly present an integrated and unified façade through which their apparent comparative value will be increased by better demonstrating what Mozambique can and does draw from cooperation on security, trade, climate change and access to investments. The European Union has in any case already made 'policy coherence for development' a policy priority in an apparent bid to advance common 'Euro-Atlantic' interests and agendas in the context of development cooperation⁷⁰.

Where traditional donors in their role of development partners and the Mozambique Government have a shared interest that is not easily available to emerging powers is in strengthening government capacity to deliver. The government is under increasing pressure to fill the 'implementation gap' particularly in addressing regional divergences, income inequality and improving service delivery. Providing strategic technical assistance and capacity development to government organisations is an area in which Northern donors have a very strong comparative advantage. Particularly when compared to emerging actors such as China that prefer 'turn-key' infrastructure investments over these types of engagements. Interestingly, this is an area South Africa has a particularly strong advantage because it has regionally comparable experience and is able to provide advice and strategic inputs, outside of the 'shackles' of being seen as a former colonial power telling African governments what to do. Furthermore, South Africa, if it had the interest to do so, might be able to gain the confidence of both traditional donors and the Mozambican government as something of a neutral broker.

⁷⁰ EU (December, 2013) *Council Conclusion on Policy Coherence for Development*, Brussels: Council of the European Union

The International Cooperation Architecture in Mozambique

Before independence traditional donors have played a very influential role in public decision-making and still account for more public service related expenditure than the government does. Since independence, however, the government has been able to increasingly reclaim authority over the public space in the context of phasing out humanitarian assistance (that typically rides roughshod over and around government systems) and transitioning to a more traditional development cooperation type relationship with traditional donors. Mozambique coordinates its relationships with these Northern donors through the Development Partnership Group (DPG), thematic and technical working groups and the General Budget Support Group known as the G19. In recent years the G19 has become of increasing prominence because it has come to be seen as the main forum in which Northern donors can leverage their development assistance in return for their policy priorities. However, the G19 is a problematic space because its effectiveness relies on an implied threat that Northern donors will withhold general budget support, if Mozambique does not ensure the legislative environment Northern donors want to see. The problem is that it is politically much more difficult to carry through with the threat of withholding general budget support than Northern donors would like Mozambique to believe. In many ways Mozambique called the bluff of the G19 group in early 2014 when the government clearly violated principles of sound macro-economic management and transparent procurement in the purchasing of a fleet of fishing boats from France through a government backed bond issue managed by a Swiss bank. The G19 threat⁷¹ to suspend budget support in this context proved to be bluster when only one Northern donor was able to follow through with the threat. The problem is that traditional donors answer to their own constituencies and many of their constituencies have no appetite for reducing funding to Mozambique that is intended for basic health and education services (regardless of where the funds really go). What this means, and traditional donors are only too aware of, is that they are on their way to losing the influence that pressure mechanisms such as the G19 used to provide.

For this reason, some traditional donors are taking steps to transfer their attention to getting influence at the sector level where there are still clear opportunities to use aid, investment and technical assistance as a means to strengthen relationships with influential government officials.

⁷¹ <http://mg.co.za/article/2014-06-14-donors-slash-mozambique-aid-over-corruption-claims>

Indeed, the space is ripe for the picking. Influential ministers responsible for important sectors ranging from agriculture to setting import and export tariffs are much maligned because traditional donors have largely ignored them in favour of brokering deals at a higher level. As such ministers in key institutions are more used to traditional donors pressuring them by way of threats to the Minister of Finance rather than brokering deals with them directly. What this means is that over the medium term future traditional donors will likely invest their resources in restructuring sector coordination and dialogue/negotiation structures. This will include public debate on sector definitions and organisational mandates so as to convince more open-minded and accessible ministers to champion Northern interests. Additionally, traditional donors will likely invest in rejigging their interests into multi-sector priorities so as to go around ministers and decision makers that are not open to doing business with traditional donors. For example, energy might be recast as a climate change or agriculture as nutrition so as to bring Northern allies into the room to pressure possibly reluctant ministers. In this regard, traditional donors are in the process of organising their limited resources to better focus on shared priorities in a way that allows them a comparative advantage. So instead of each embassy covering all priority sectors and policies, there will likely be greater concentration in the way that embassies play a lead role in pursuing only a portion of shared interests and then report back to the wider group. What this means is that if emerging actors such as South Africa want to participate in public debate (and influence), they will be confronted with much more specialised and better prepared traditional donors. So if South Africa's embassy officials need to follow public policy debates in everything from migration to security and trade, they will have to compete in forums in which traditional donors have concentrated their resources on, allowing the twenty odd like-minded traditional donors in Mozambique a competitive edge that will be increasingly difficult to assail.

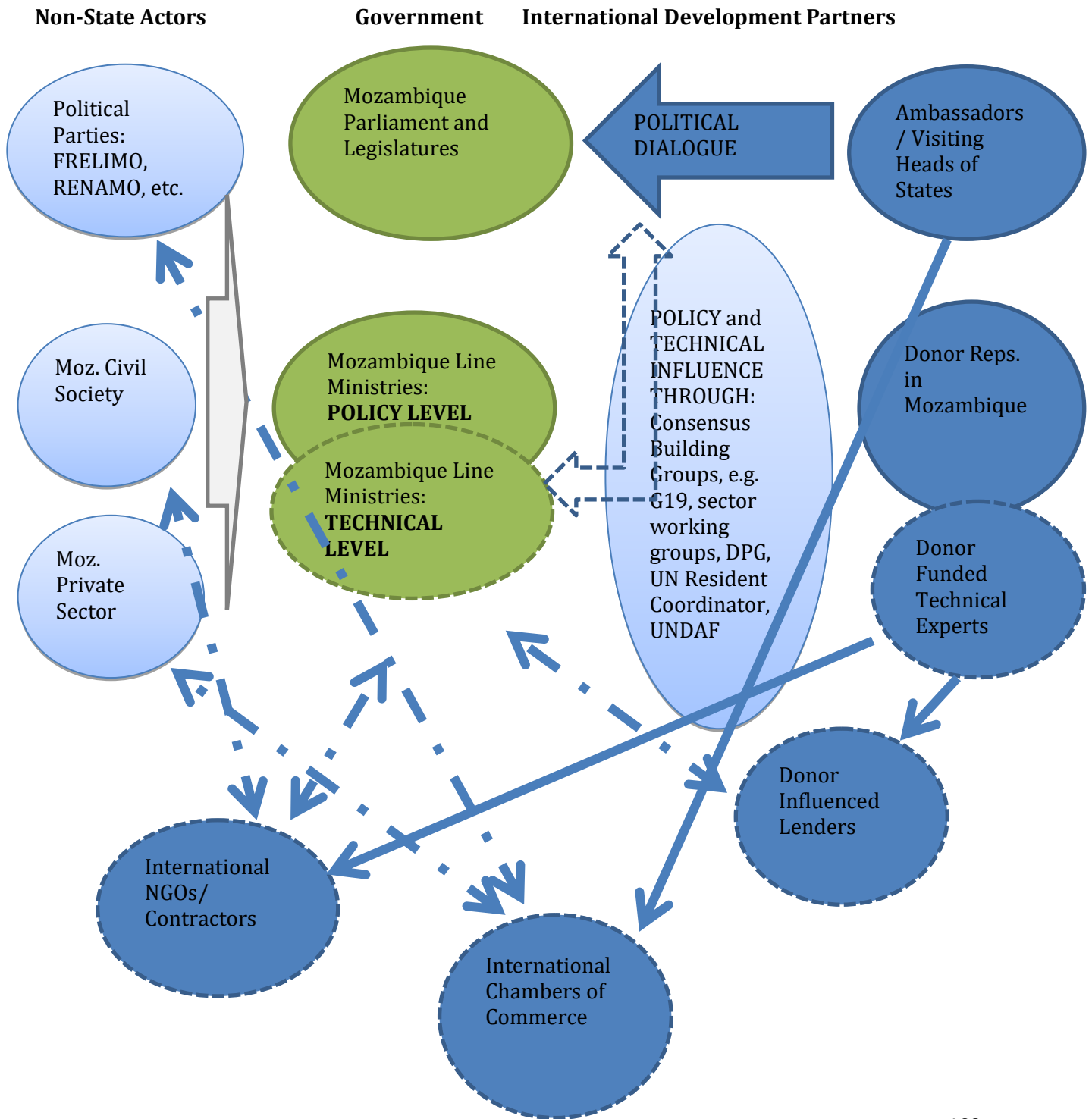
Priority sectors will likely be (or already are) selected by traditional donors where they have both a vested interest whether due to trade and investment or in terms of their international commitments to soft issues such as poverty alleviation and infant mortality. The focus then will be on getting these sectors recognised in the next iteration of the PARP thus formalising and legitimising the space for influence and dialogue. Once recognised in the next version of the PARP (due for revision in 2015), aid funding will be used to stack the agenda through providing technical assistance and secretariat support to policy making at sector level, which will then set in place an

influence mechanism for the foreseeable future. When it comes to these mechanisms it is interesting to note that Brazil and India and even Turkey are paying attention and trying to secure a role but South Africa is largely formally absent in Mozambique.

Furthermore, the international consensus on aid and development effectiveness clearly implies that traditional donors believe they can improve their influence by building on their perceived authoritative superiority in regard to fundamental rights, environment and gender, inclusiveness and democratic processes and having a more sophisticated approach to public sector management. In this regard, it is likely that traditional donors in Mozambique will position themselves as a vanguard in protecting human rights, women's rights and the environment in the hope of building a local constituency and moral authority. This will also build on popular perceptions that traditional donors are united with ordinary Mozambicans when it comes to their abhorrence of corruption. Traditional donors will also invest considerable resources in convincing Mozambique that they have the technological advantage that the government needs to improve public sector performance. This investment will focus on 'evidence based policy making' and a narrative about results (e.g. the UK's big results now initiative). Notably, Traditional donors are largely uncontested in these spaces, with emerging donors such as China typically avoiding dialogue on rights and focusing on 'turn-key' demonstration projects rather than working directly in support of government bureaucracies. Finally, the focus on inclusive economic growth, and by implication, responsible business practices is a clear move to improve the branding and standing of Northern investors in Mozambique, in comparison to companies from the developing world. This move is timely for European donors because it promises to deliver reputational benefits that could be seen to reinforce a narrative that investors from countries like China and indeed South Africa have a competitive advantage in that they are accused as being more exploitative and less accountable to the needs of locals⁷².

⁷² In 2014, South Africa's Department of Trade and Industry, for example, even tried to get South African companies to sign up to a 'code of conduct' for doing business in Africa to improve South African reputations abroad. Even the South African National Development Plan recognizes that South Africa is perceived as a bully in SADC.

Pictorial Representation: The International Architecture Showing How International Development Partners Orient Themselves to Government in Mozambique



Donor Spend in Mozambique

Table 12.1 summarises donor official development assistance (ODA) disbursements to Mozambique from 2006 to 2011 in US\$ millions. In terms of funding size South Africa will struggle to compete. SADPA is projected to have an overall budget of R500 million a year or about \$45million at current exchange rates. Comparatively speaking even Ireland is disbursing more to Mozambique than SADPA will spend globally. Furthermore, with the global financial crisis fading and growth returning to developed economies, it is likely that donor spending will continue to grow. A larger proportion of this funding will also likely be allocated to countries like Mozambique in line with commitments to divert aid funding from 'middle income countries' like India and China towards 'least developed countries' like Mozambique. It is also interesting to note the increased disbursements between 2006 and 2011 from Northern countries like Portugal (increased ten-fold), Belgium (trebled disbursements), Denmark (doubled disbursements) and the UK (doubled disbursements). One notable Northern actor that is likely to reduce its presence in Mozambique is Australia because of a change in government.

Table 12.1: Disbursements of ODA to Mozambique (US\$ millions)

	2006	2007	2008	2009	2010	2011
All Donors Total	3415.12	1697.60	1942.26	1999.82	1960.61	2093.95
Australia	1.71	2.83	2.92	4.56	20.88	6.68
Austria	6.95	3.89	12.69	8.86	8.75	9.98
Belgium	12.82	23.41	25.88	23.15	34.09	33.50
Canada	47.04	51.82	68.53	75.15	82.01	129.81
Denmark	56.68	70.94	62.75	86.50	87.56	115.35
Finland	27.23	32.88	40.24	42.77	47.25	36.52
France	18.74	35.20	23.13	24.64	20.76	19.06
Germany	65.30	64.55	79.62	118.32	81.21	96.46
Ireland	53.61	68.10	70.65	63.54	56.92	58.57
Italy	30.24	42.58	34.55	24.81	35.32	26.73
Japan	106.83	27.78	23.72	60.67	62.85	48.49
Korea	0.13	0.21	0.98	0.43	0.95	6.48
Luxembourg	1.52	0.73	0.19	0.11	0.11	0.11
Netherlands	59.66	80.66	105.69	99.31	81.84	73.00
Norway	64.25	80.13	96.67	80.41	73.69	84.14
Portugal	21.67	21.63	25.58	69.89	116.00	224.23
Spain	34.86	52.13	78.67	63.94	60.93	41.28

Sweden	87.66	103.57	119.60	98.86	84.54	108.97
Switzerland	22.43	24.23	23.85	24.16	27.63	30.91
United Kingdom	90.63	115.72	198.04	54.90	104.42	191.40
United States	108.80	153.38	226.65	255.49	277.91	387.01
EU Institutions	179.29	237.39	163.68	204.68	192.33	128.96
Kuwait (KFAED)					2.93	3.06

Source OECD.org

2.10 Entry Points for South Africa in the Mozambican Architecture

Considering the comparatively small financial resources South Africa has available it is clear that South Africa will not likely be able to buy influence in the way much larger donors do (e.g. through providing critical amounts of budget support). Furthermore, an analysis of South Africa's comparative advantages (see section above) imply that South Africa will be technically 'out-gunned' by more experienced traditional donors in many sectors such as in health, education or agricultural development. South Africa does, however, have a clear comparative advantage in its ability to act as trusted partner both to traditional donors and to the Mozambican government because of its international standing and status as an Africa democracy. This means that South Africa could have an outsized influence in brokering and setting the agenda for dialogue and cooperation in key sensitive sectors in which traditional donors have failed to get traction. This analysis of the national architecture in Mozambique, combined with the analysis of South Africa's stated policy priorities, leads to the conclusion that South Africa should invest its resources in improving its relevance and influence in the energy and private sector development sectors.

The research findings are informed by South Africa's Department of International Relations and Cooperation's (SA DIRCO) 2010-2013 strategic plan that recognises the need to deepen and strengthen South-South cooperation, pointing out the value of what it sees as "formidable alliances" with other emerging markets. South Africa's strategy starts with the view that "South Africa shares similar positions on political, economic and social issues with other countries of the South and in this context relations and cooperation" (SA DIRCO 2010: 13). South Africa also has strong relationships and influence with developed groupings such as the EU as affirmed in the 2009 EU-South Africa summit. Companies from the EU, US and Japan (such as HSBC and Wal-Mart) are also attracted to South Africa as a base and launch pad to expand their subsidiary operations into the rest of Africa. DIRCO's rationale is that South Africa's future on the international stage is through

participating in and transforming global systems of governance, of which the architecture described above is the manifestation in Mozambique. The emphasis is on building new alliances, taking advantage of existing partnerships and positing South Africa as a potential source for positive transformation and reconfiguring of the global architecture to better work in African interests.

DIRCO's *Strategic Plan for 2010-2013* lists (2010:7) the following "overarching priorities as outlined in the Medium Strategic Framework for 2009-2014", all of which informed the findings of this research:

- "Continued Prioritisation of the African Continent;
- Strengthening political and Economic Integration of the SADC;
- Strengthening South-South Relations;
- Strengthening relations with Strategic Formations of the North;
- Strengthening political and economic relations; and
- Participate in the Global System of Governance"

The findings also focus on addressing one of the most important challenges to South Africa's international relations policy: the extent to which South Africa is (frequently) perceived as an economic threat to many countries in sub-Saharan Africa. Despite South Africa's assertion that it shares "similar positions on political, economic and social issues with other countries of the South", there is little evidence to suggest that sub-Saharan Africa sees South Africa as a 'gentle neighbour'. These findings thus focus on the energy and private sector development sectors because they offer the promise of delivering measurable benefits for Mozambique as well as South Africa. The rationale is thus that SADPA should focus its limited resources on development cooperation that delivers mutual benefits to South Africa and Mozambique.

SADPA Entry Point: Private Sector Development

Considering South Africa's trade and investment interests in Mozambique and Mozambique's stated priority of promoting greater private sector growth and investment, there is a clear mutual interest in South Africa supporting private sector development in Mozambique. Furthermore, the analysis of private sector development in Mozambique (below) shows that there is a low cost-high reward opportunity for South Africa in this sector. The biggest challenge in the sector from a policy and

delivery perspective is coordinating the multitude of donor funded activities in the sector, aligning them with government priorities and creating a space for policy dialogue. In essence, the financial inputs are very low in that they involve financing and deploying a competent DTI or DIRCO official to Mozambique to play a lead role in advocating for and coordinating the sector.

The government and donor community are in agreement at a policy level on the importance of promoting private sector development in Mozambique. In Mozambique, Private Sector Development (PSD) is a strategically important area and focus in which the majority of traditional donors are already active. Mozambique's consistently high levels of economic growth over the past decade are not seen by the wider population or government as delivering the jobs and quality of life improvements the statistics would imply. Through observation in participating in donor meetings, it became apparent that in 2013 and 2014 the donor community appeared to have growing concerns about concentrations of wealth and inequality, aggravating rural-urban disparities while fuelling political discontent that is increasingly seen as contributing to security and stability risks. The response appeared to be a shared narrative that is repeated by traditional donors in Mozambique that calls on the government to do more to promote inclusive economic development, job creation and the development of local small and medium sized enterprises. In this space, there are glaring tensions between how policy makers focus on so-called 'easy wins' in the extractive industries and dire need to invest in what is a long term priority of building local supply chains both for services and in manufacturing value adding. The government could also do a lot more to improve the enabling environment and invest in the productivity of small and medium size enterprises. Here there is also a glaringly obvious opportunity to improve cooperation with South Africa in that there is a severe shortage of skilled professionals (e.g. in the mining sectors) and the training needed is largely in South Africa and available at a comparatively affordable cost. At the same time, the Mozambique development corridor and the sort of large scale developmental projects engineered between South Africa and its Industrial Development Corporation could be examples to be showcased in the context of Mozambique's expected and ongoing investment boom related to its resource extraction industries.

The Mozambican government's approach to economic governance is seen by many traditional donors as undermined by the entrenched power embedded in Mozambique's long-standing elected

leadership and the rent-seeking opportunities afforded them through largely unfettered control of national resources. These accountability concerns were given voice in 2014 when the government side-tracked national over-sight to launch a bond issue through a state owned entity that was then rolled over into the murky procurement of a fleet of naval vessels (see above) thus resulting in pointed criticism by international lenders. Clearly there is an opportunity in the private sector development space for a 'neutral actor', such as the South African Development Partnership Agency, to invest in coordinating and ensuring dialogue between Mozambique's economic policy makers and traditional donors, a structured and productive dialogue that is largely absent at present.

This would mean participating in and raising South Africa's visibility in the monthly meetings of the "Private Sector Working Group" (PSWG) and complementing this with regular dialogue with government. In the working group South Africa could advocate for greater inclusion of government or even transforming the coordination and dialogue group into a government controlled and led mechanism, something participating donors also want. In this regard, a SADPA investment in the sector could be focused on providing the necessary capacity support to the government (more particularly the Ministry for Industry and Commerce) of Mozambique to coordinate and lead private sector development. This would be plainly in line with the government's stated policy goals: the PARP calls for greater promoting employment through multi-sector actions that will improve the business climate, attract investments, stimulate micro and small enterprises. As well as ensuring comprehensive access to credit and to services for the development of small and micro enterprises are key priorities for their policies and poverty production. The Strategy for Improving the Business Climate (EMAN I; now: EMAN II) and the Strategy for Development of Small and Medium-Sized Enterprises are key reference documents by the Government of Mozambique for private sector development. An industrial policy is also purportedly being developed.

In this regard, it is important to note that participating in private sector development as a 'donor' should be inter-twined with South Africa's own investment and economic interests (as is the case with traditional donors in the sector). There are enormous opportunities for South Africa and Mozambique to mutually benefit from a shared plan to invest in deepening and broadening the financial sector, strengthening national capacities to benefit from the resource boom, supporting the growth of a middle class and accordant access to retail opportunities, supply chains and

essential services (e.g. specialised health) that, more often than not, draw on South Africa's business community.

SADPA Entry Point: Energy Sector (and Climate Change)

The energy sector presents another opportunity for South Africa to strengthen its developmental partnership with Mozambique that is also directly connected to South Africa's own economic interests. The South African corporation closely tied to government, Sasol Gas Holdings, for example is investing R2billion in its gas pipeline with Mozambique. Whilst the sector is in many ways more complex than private sector development, it is also potentially of greater importance. This is because the control and governance in the sector has direct security and economic implications as well as regional political implications for South Africa's role in the region. After all, where Mozambique sells its vast natural gas, coal and oil resources to will have a very strong influence on how Mozambique works within SADC and with neighbouring countries like South Africa. Certainly, if the current intentions to sell gas to India come to fruition, the more India depends on Mozambique for its energy supplies, the greater the incentive for India to secure and protect its access, meaning a potential dilution of South Africa's influence in Southern Africa. Similarly, neighbouring countries like Zimbabwe and Malawi will naturally look to diversify their access to energy as Mozambique becomes a more viable supplier.

Furthermore there are related and potentially even greater international developments afoot in that Mozambique has the world's largest reserves of graphite⁷³, an essential ingredient in manufacturing the lithium-ion batteries that power everything from cellular phones to the current generation of electric cars. The more the world needs these batteries and this need is only projected to grow, the more international attention Mozambique will get.

In Mozambique, the energy sector, as defined in the PARP, is seen as including liquid and solid fuels and well as power generation. From a developmental perspective, household and rural electrification are the stated priorities of policy makers with the most contentious issue being how to liberalise and open up production and supply to competition (a challenge South Africa shares). The key interlocutor is the Ministry of Energy but, as with the private sector development, there is

⁷³ Reported in the Financial Times, July 11, 2014

limited capacity with a persistent tension between traditional donors' calls for structured dialogue and the government's capacity and incentives to enable this. At present dialogue and coordination is informal meaning that SADPA could get a foothold in the sector should it decide to invest in it. South Africa might also consider taking advantage of its related capacities in climate change both in terms of negotiating climate financing and of shared experiences in balancing the need for low cost energy driven development with the clear need to transition to a low carbon economy, while protecting against environmental degradation. As discussed in section 5 (above), South Africa could summon its technical and organisational capacities to demonstrate a comparative advantage in this space.

2.11 Conclusion and Implications for the Research Question / Analytical Framework

This research speaks to South Africa's policy making particularly in relation to how South Africa strategizes on how to improve its influence and leverage abroad. Foreign policy is still clearly a priority for the government, with Jacob Zuma (Zuma 2015) referring in the *2015 State of the Nation Address* to the government's success in expanding the reach and number of South African embassies abroad. South Africa has also continued its intention of maintaining a high profile in the African Union. Globally, South Africa's ambitious foreign policy is evidenced by its taking on the chairmanship of the G-77 in 2015. In 2014 South Africa also committed itself to considerable investments in the development financing space as a core contributor to the New Bank for International Development, colloquially referred to as the BRICS bank.

What remains a looming question, however, is the level of South Africa's commitment to formalising the South African Development Partnership Agency (SADPA), which still remains a stated intention more than anything constituting an identifiable reality (even though funding for development through the ARF continues). At the same time, the Institute for Security Studies (ISS) reported worrying signs that South Africa is under-investing in maintaining and/or strengthening its influence in the Southern African region. In February 2015, the ISS hosted a discussion on SADPA at an international conference on African Peacebuilding. Participants discussed various studies and interactions with Government with the consensus being that South Africa's engagement with the Southern African Development Community remains lack-lustre at best: DIRCO has failed to fill vacant posts and SADC officials complain behind closed doors of an apparent disinterest from

Pretoria in recent years. The findings of this chapter also reinforce this perception in that it concludes that South Africa should be investing more in its immediate neighbourhood of Southern Africa than anywhere else in the world. Nonetheless, it is also recognised that the government is sensitive to perpetuating its reputation as a “self-interested hegemon” (SA NPC 2012) in the region and that this sensitivity could be leading to an unofficial policy of disengaging. That being said, it still appears as a notable research finding that South Africa’s apparent disinterest in Mozambique runs contrary to the government’s stated policies and ambitions to be an international donor/development partner.

A secondary focus of this case study was on identifying how the international architecture perpetuates itself at country level and what South Africa could do to participate in and influence this architecture. The findings clearly show that the architecture is a real and tangible institution with powerful norm setting capacities. These norm setting functions are only further enabled by access to enormous financial, organisational and technical resources. Contrary to the possible concern that the architecture works to exclude South Africa, the findings suggest that South Africa’s participation would be feasible. In this regard, South Africa’s policy makers appear to be missing an opportunity to influence and shape dialogue and development cooperation by not analysing these architectures in the countries in which they work and thus failing to get South Africa a seat at the table. Participating in these architectures would benefit South Africa both in terms of intelligence gathering and to take advantage of any strategic opportunities that may arise such as on calling for a better business enabling environment.

Whilst the study only focused on Mozambique, there is sufficient evidence to suggest that the global architecture is considerably stronger and more influential in SADC countries of Malawi, Zambia and Zimbabwe as well as being present in one shape or form in the remaining SADC countries too. Considering the comparatively small size of South Africa’s developmental resources, the research also suggests that an investment in supporting coordination and/or dialogue between the international architectures and beneficiary governments would give South Africa significantly better return than many of its current projects (e.g. financing UNDP to build an HIV/AIDS clinic in Burundi). South Africa’s international spending is about R500 million a year through the *African Renaissance Fund* compared to Western donors spending close to R11 billion a year in South Africa

alone. To be effective as a development partner South Africa needs to be realistic about how much influence the actual size of its expenditure can procure: to put South Africa in context, Western donors spend double what South Africa has allocated internationally simply to secure their interests in Swaziland. Another option for South Africa could be to increase the volume of its development spending such as in redirecting the R30 billion it currently spends on SACU subsidies towards development cooperation.

The research uncovered an interesting disconnect between South Africa's foreign services and South African private sector investors abroad. This disconnect appears despite the DIRCO and DTI doing what appears to be good work to promote South African trade and investment in Mozambique. The problem is that government's work, the value of it and the services it is providing, becomes largely under-appreciated and unrecognised by larger swathes of South Africa's private sector implying the need for the South African government to invest considerably more in communicating what it is doing abroad to its population at home. Coincidentally, this is also the conclusion of the OECD in regards to so called traditional donors: in November 2014, the OECD (2014) recommended that traditional donors also allocate more attention to communicating⁷⁴ with their respective electorates in explaining what development cooperation and international relations deliver. Put together this implies that there is some evidence to suggest that South Africa's motivation as a donor are not being primarily informed by its identifiable national economic and self-interests.

That being said, the analysis of the ISS findings on South Africa's donor activities in Burundi, South Sudan and the Democratic Republic of Congo do not give much credence to the notion that the primary driver of South Africa's aid policy is the desire to be a more effective or benevolent donor (rising above its own economic and political interests). South Africa's apparent lack of impact, financing of 'white elephant' projects and resistance to participating in beneficiary government led aid effectiveness initiatives implies that South Africa's motivation lies elsewhere than meeting the needs of the beneficiaries. Furthermore, with South Africa appearing largely disconnected and disinterested in global initiatives on how to improve the effectiveness of aid (sections 2 and 3) there is no compelling evidence that South Africa is focusing its aid on reforming or improving the

⁷⁴ OECD.org: 2014: Engaging with the Public: 12 Lessons from DAC Peer Reviews

global system either. Most difficult to unpack, however, is the apparent unwillingness or disinterest from South Africa to tailor aid to the beneficiary's political and economic context. Whilst South Africa's flagship civil service capacity building project appeared to respond to real needs and incentives, the ISS findings demonstrated that most projects financed appeared disconnected from local systems with no evidence that South Africa made any efforts to use its aid in support of the partner country's development plans.

What does emerge from the study is that whilst there is a public assertion that South Africa is different and sees its beneficiaries as equal development partners, in fact, South Africa's decision makers are no more immune from a projecting sense of superiority than 'traditional donors' are. The study demonstrates clear evidence suggesting that South Africa's policy makers accompany aid with a narrative of both a moral technological superiority over both beneficiary governments and traditional donors. The moral imperative is clustered around the notion that beneficiary government officials are more corrupt and less interested in helping their own citizens than South African officials are. Furthermore, there is evidence that this moral imperative seems to build on a notion of a moral crusade with South Africa needing to save Africans from their own ineffective and corrupted leaders (ANC 2012) who have been hoodwinked into submission by post-colonial imperialists. This sense of moral superiority is also accompanied with a sophisticated assertion of technological superiority in which South Africa presents itself across the board as being both more advanced than its beneficiaries as well as of traditional donors (see 2.3). What is most interesting about this finding, however, is that it presents itself as coming from within South Africa rather than from experience working with beneficiaries and with other donors. This is evidenced by the disconnect between the ISS findings on the poor efficacy of South Africa as a donor and the statements made by officials in public, to parliament and in policy regarding South Africa's comparative advantage as a development partner.

Most striking of all, however, is South Africa's apparent lack of ambition to extract reputational benefits from its aid. South Africa's financing UNDP to provide an HIV/AIDS clinic, for example, does not illustrate an ambition to show-case South Africa as a donor or even to achieve some sort of ambitious result. The ISS found in this regard, that the government was disinterested in the project and that few officials recognised South Africa as having financed the clinic (rather than UNDP).

Similarly, with the other projects reviewed by the ISS, South Africa appears as less than ambitious about what its aid can achieve nor having a clear vision on how it intends to distinguish itself.

Put together, the South Africa case-study illustrates the possibility that at least in this circumstance, the purpose of giving aid may not actually be about obvious self-interest nor about wanting to help the beneficiary, at least not in line with stated policy intentions. South Africa appears as apparently unwilling to adjust its programming to the partner country's political economy and resistance to participating in national aid architectures which would assist in contextualising its aid. From this case study, the evidence suggests that what aid has generated for South Africa is sense of moral and technological superiority that enables and justifies its future interventions in Africa whatever the particular context may be. South Africa's spending on aid also acts to augment South Africa's role and justification as a leader in Africa and the African Union. Interestingly, the ANC's (2012) linking aid to a continuing struggle North of the border means that aid has value in giving voice to a narrative that reconstitutes the ANC as a (still) relevant leader in the continued fight against colonial interests (and apartheid) in Africa.

In reference to the original research questions, South Africa is consistent at a policy level in terms of its commitment to use country programmable aid in direct support of the beneficiary country development plans. However, South Africa does not have in place instructions on how to draft a country strategy which is not inconsistent with other emerging donors (see O'Riordan, Benfield and Dewitte 2010). South Africa does, however, make express policy commitments to contextualising aid to the country context and even goes so far as to argue that they will do so better than traditional donors (see 2.3 above). In practice, however, there is little evidence to suggest that South Africa has credibly contextualised their aid nor to show that South Africa has aligned their programming to allow ownership/control by the partner governments. South Africa, like other traditional donors, invokes a narrative of technological and moral superiority both over other donors and beneficiary government officials. This narrative is not called for in the procedures or policies analysed and appears to originate prior (e.g. in parliamentary discussions and the ANC conferences, see 2.2 and 2.3 above) to the establishment of South Africa's aid actions and prior to exposure to the particular beneficiary country or context. By implication, it appears that in the case

of South Africa, the moral and technological imperative relate to South Africa's own ambitions in how it projects itself abroad and does not relate to the specificities and challenges of programming.

3. USAID and the HIV/AIDS 'Pandemic' in Namibia

3.1 Introduction

An important question that comes out of the previous case study on South Africa as a donor is on how the difference between the donor's perspective and that of the beneficiary government's is identifiable in the design and implementation of specific projects. As was evidenced in the case-study on South Africa as a donor, the donor perspective tends to drive a donor narrative that works to differentiate the donor's approach from that of the government's even when the donor in question makes explicit commitments to support the government's approach. This donor differentiation has so far been identified as generating or being driven by a narrative of moral and technological superiority to beneficiary country decision makers. In selecting a case-study, then, attention was paid to avoiding programming that *necessarily* involved a focus on what could be readily presented as donors being morally or technologically superior to the beneficiary country's government. Programming in governance, human rights or democratisation, for example, was excluded because by its very nature it involves projects intended to raise beneficiary countries to what are perceived to be Western and morally superior governance practices. At the same time, programming that explicitly involves delivering Western technologies such as in improving agricultural productivity or public financial management reform were also excluded. Accordingly, the criteria for selecting this case study focussed on the following:

- A beneficiary country that is not considered a least developed country or fragile state and is recognised as having a competent administration,
- A project that explicitly states its intention to support the beneficiary country's legislated policy and to work through government systems and that essentially only becomes feasible when it directly supports the government's own plans,
- A project primarily technical in nature that cannot easily be dismissed as purely a donor driven priority.

These criteria combined with the intention to look at the workings of another major international donor led to the identification of a USAID funded institutional strengthening project in Namibia. The project in question directly aims to support government delivery of HIV/AIDS services based on the beneficiary government's own policies and using the government's own systems.

Accordingly, the Namibia case study was selected because at least on paper, the donors approach (and stated intention) is for the project to not deviate from the government's approach at all. Combatting HIV/AIDS does have a moral and technological component but this was not considered to be a detractor because the Government of Namibia has taken ownership of the pandemic response for well over a decade and, in fact, spends more on HIV/AIDS than donors do. The purpose of the Namibia case study, then is to examine how the programming of aid leads to a different donor approach to that of the government's even when the donor in question (in this case USAID) categorically states its intention to wholeheartedly support the government's approach and systems.

The methodology involved textual analysis primarily of documents in the public realm such as the USAID strategy documents for Namibia, government documents on the HIV/AIDS response and related analysis such as that conducted by academics and development partners. The methodology also included face to face interviews conducted during a two-week period in Windhoek, Namibia in July 2014 and by telephone. Twenty nine respondents⁷⁵ were interviewed including representatives from all international donors supporting the HIV/AIDS response in Namibia, interviews with representatives of national and international NGOs in the sector as well as in-depth interviews with 'technical experts' involved in strengthening Namibia's institutional capacities (e.g. in data analysis, epidemiology, human resource systems, etc.). Notably government representatives were also interviewed from the responsible line ministries as well as two interviews with elected representatives, one of which was a former chair of a powerful caucus in parliament. Academics were also interviewed from both the University of Namibia and the Namibian University of Science and Technology (formerly Technikon of Namibia) as well as the managing editorial team of one of Namibia's biggest daily newspapers and media representatives from smaller publications. Interviewees were promised confidentiality in the hope of preventing answers being biased by the potential/hope of benefiting from donor funding in Namibia.

⁷⁵ For those respondents quoted, a profile is included in annex.

The structure of this chapter is to first explain USAID's approach to addressing the HIV/AIDS pandemic in Namibia and to demonstrate how it is presented as being about supporting the government's own initiatives and the need for USAID activities to be contextualised to the local political economy. USAID's approach is then compared to the political economic context in Namibia with reference to the government's policy approaches and the apparent interest of Namibia's political leaders. The chapter goes on to explore how HIV/AIDS fits within the wider donor-government development cooperation environment. The chapter demonstrates that the USAID approach is not entirely explained in regards to trying to respond to the local context in Namibia. In short, USAID still puts forward HIV/AIDS as a national pandemic or scourge that needs more attention than other communicable diseases. This narrative, in fact, proves to be entirely decontextualized from Namibia's existing political interests, clearly preferencing the donor's perspective over that of the beneficiary government's. The Namibian government on the other hand, sees HIV/AIDS as just one amongst many social challenges. To illustrate how USAID's approach is disconnected from that of the local context, a pictorial representation is included (end of section 3.5) comparing the USAID approach to HIV/AIDS to the perceived political priorities of the elected leadership. The chapter then goes on to demonstrate how USAID's approach is based on inherently false assumptions about the policy and political context in Namibia. The last part of the analysis of the chapter is to 'read' USAID's approach in Namibia through the lens of a *local systems approach*; the *local systems approach* is USAID's own guidelines on how to contextualise projects within the local political economy. Finally, the chapter concludes that USAID's approach to combatting HIV/AIDS in Namibia is not accounted for by any other factors than USAID's own internal political economy at an institutional level. As such, the approach is not likely to deliver on the stated goals of the project. However, USAID's approach demonstrably contributes to it maintaining and investing in a narrative that posits the Namibian government as being less ethical than that of Western donors whilst also having insufficient skills or technical capacities to deliver to their own people.

3.2 USAID's Focus on HIV/AIDS in Namibia

The United States of America is the world's largest bilateral donor (OECD 2013) and also the biggest funder of HIV/AIDS programming globally. US funding for HIV/AIDS largely comes through PEPFAR (the *President's Emergency Plan for AIDS Relief*) which started as an emergency response, that tended towards implementing activities through networks of American and local contractors that are either embedded in government or operate in parallel to the government. American intervention in combatting the HIV/AIDS pandemic is widely recognized as being instrumental to increasing longevity and reducing the cost of HIV/AIDS in sub-Saharan Africa. Recently, however, there are signs of growing signs of fatigue in that the American government (as communicated in key informant interviews) wants to see these essential services taken over by and eventually financed by partner governments. This shifting focus from financing HIV/AIDS services directly to wanting governments to take ownership provides an invaluable backdrop to explore the different approaches and assumptions of USAID in comparison to the countries in which they work. As the US puts it (US Government 2009: Executive Summary), "Sustainable programs must be country-owned and country-driven. Given that the AIDS epidemic represents a shared global burden among nations, the next phase of PEPFAR represents an opportunity for the United States to support shared responsibility with partner countries. To seize this opportunity, PEPFAR is supporting countries in taking leadership of the responses to their epidemics."

In this regard, Namibia was identified as an ideal case study because based on the desk analysis there is little reason to argue that the US government should adopt a different approach to that of the Namibian Government's in terms of how they address the HIV/AIDS pandemic. Namibia is a 'middle income', stable country with a comparatively strong public sector that shares the same policy priorities as USAID when it comes to HIV/AIDS. Furthermore, with the Namibia government financing an estimated 60% (Namibia Government 2010) of HIV/AIDS services there is demonstrable government commitment to combatting the pandemic. Furthermore, at the policy level there is strong evidence to suggest that the Government of the Republic of Namibia and the international donor community agree how best to address the HIV/AIDS pandemic. In 2010, after extensive consultations with government departments, donors and civil society, Namibia formally approved the *National Strategic Framework for HIV and AIDS Response in Namibia 2010/11* -

2015/16 (NSF) as the official government strategy document for the sector. The NSF is also referred to by development partners as the basis for their programming support to the sector.

3.3 Political Context

Of the many health concerns in Namibia, HIV/AIDS is arguably the most threatening to the nation's social, political and economic future. The risk of early mortality from AIDS remains high and the costs of chronic care of the disease is a major economic and financial burden currently absorbing 27% of national health expenditure (Pepfar 2014: 3). Infection rates, whilst lower than at their peak, mean that almost one in five Namibians is born to an HIV+ mother (Namibia Government 2012b). However, there is a notable disconnect between how USAID and the government talk about HIV/AIDS in Namibia. USAID's stated policy is of supporting the Namibian government's approach to HIV/AIDS (see section above) but USAID also accuses the government of not taking HIV/AIDS seriously enough saying that "despite the strength of Namibia's formal economy....maternal mortality rates and under-five mortality rates are high. Lack of clinical staff limits health care service delivery.... particularly in rural areas. Same-sex sexual activities between consenting adults are illegal.... outreach to key populations a challenge....Gender-based violence is widespread and appears to be on the upswing." (Pepfar 2014: 2/3) The overt implication is that the Namibian government has a lesser moral commitment to its own people, thus the implementation challenges.

"People who remain poor, e.g. in Kunene are poor because they reject and resist governments development efforts. HIV/AIDS is increasing in poor communities because they [the poor] are resisting keeping up with modern society. For Namibians, HIV/AIDS is no longer an emergency... the elections are now about bringing development that you can see and touch. The average voter does not care about HIV/AIDS; they want visible signs of progress. Young people don't even believe you can die of AIDS anymore.... even business does not worry about it anymore."

Editor, Major Namibian Daily Newspaper, July 4 2014

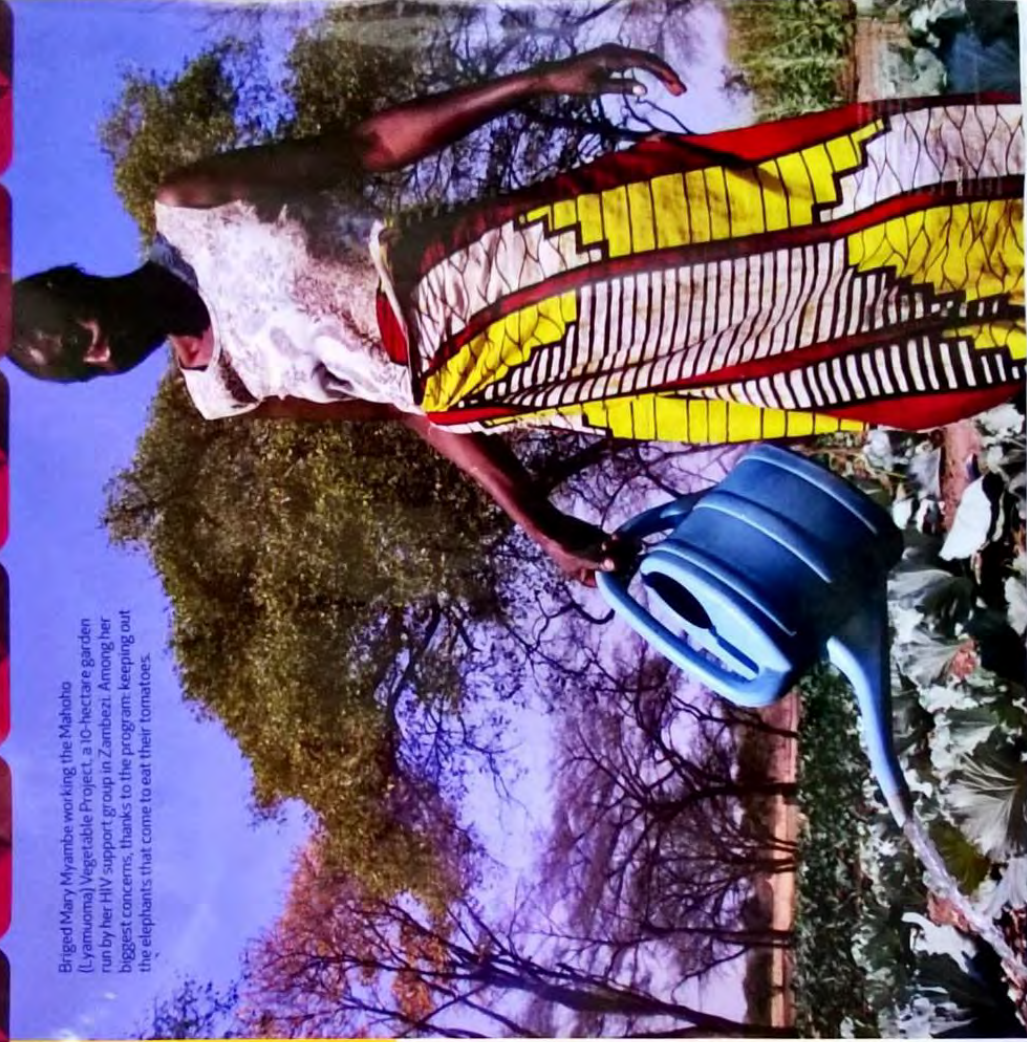
When shared with the project and donor staff in Namibia, they were generally surprised and shocked by the statement above. However, even though the statement above was clearly uncomfortable for USAID's staff and contractors there was also evidence that USAID itself is complicit in generating a moral imperative that simultaneously justifies the urgency of its action whilst undermining the authority of stakeholders and beneficiaries. The poster below, for example, puts forward the notion that many HIV+ Namibians are spreading HIV because they are unable to identify destructive social behaviours. In the USAID awareness poster below, for example, Namibians are encouraged to educate themselves on the about the ill effects of alcohol so that they can make better decisions for their families. After completing all the modules in an HIV/AIDS sensitisation workshop, the poster heralds Mary's success: "Now I don't drink anymore. I don't go to bars or shebeens. I have one partner and use protection." (US Government 2013)

community action against hiv

“I was just living the way everyone used to live ... Now I don't drink anymore ... I have one partner and use protection.”

Briged Mary Myambe, support group member

Briged Mary Myambe working the Mahoho (Lyamuoma) Vegetable Project, a 10-hectare garden run by her HIV support group in Zambezi. Among her biggest concerns, thanks to the program keeping out the elephants that come to eat their tomatoes.



Since 2007, Briged Mary Myambe had been divorced and living with HIV in her Zambezi community. She survived on antiretrovirals but spent what money she had on alcohol rather than food or clothes for herself and her five children. Thin and unkempt, she often woke and went straight back to drinking, forgetting her medications. “I was just living the way everyone used to live,” she says. “I used to sleep around with no condoms. I used to have a lot of boyfriends.”

In 2010, USAID began supporting a Zambezi-based NGO called Caprivi Hope for Life to boost its community action for people like Briged Mary Myambe with PEPFAR funds via implementing partner Pact. As part of the systems-strengthening goals of this project, USAID aimed to prepare Caprivi Hope for Life and five other Namibian civil-society organizations to become eligible for U.S. direct funding, while maintaining high standards of existing services. For the next three years, Pact’s organizational-development specialists provided Caprivi Hope for Life with tailored technical assistance, helping it achieve substantial, measurable improvements in systems ranging from project planning and financial management to monitoring and evaluation. By 2012, Caprivi Hope

for Life was able to write proposals that secured new U.S. funding via PEPFAR Small Grants, as well as additional funds from three non-U.S. sources.

Under this project, Caprivi Hope for Life provided HIV prevention messaging to an average of 762 people each year from 2010 to 2012, through teams of trained behavior-change communication promoters. The organization’s endline assessment showed positive outcomes, such as the proportion of participants with single sexual partners up from 63 percent to 94 percent. Briged Mary showed how transformational the change could be: When Caprivi Hope for Life arrived in her community, she says, its lessons made her every module and graduated in May 2012. At first her children simply laughed when she told them what she was learning. “Now I don’t drink anymore. I don’t go to bars or shebeens. I have one partner and use protection.” She works at the Mahoho (Lyamuoma) Vegetable Project, a where her HIV support group grows 10 hectares of cabbage, spinach and more. Among her biggest concerns today is keeping out the elephants who come to eat their tomatoes. “Even my health,” Briged Mary says. “I look healthier than I did at first.”



Whilst USAID and other international donors still invoke a narrative of urgency, essentially accusing the government of not being sufficiently committed to containing and combating the pandemic, the government's decision makers have a more sanguine, if not actually more mature approach. Namibia's policy makers, rightly, see HIV/AIDS as just one amongst a host of other chronic health challenges. As one senior government official put it, the HIV/AIDS pandemic is "yesterday's news" (MoHSS 2014 Respondent 1, 26 June 2014). The official explained that popular perception in Namibia is that due to the introduction of Anti-Retroviral Treatments (ARTs) and improved awareness, few Namibians are bed-ridden much less dying from this epidemic. And, in fact, there is good basis for this perception with the prevalence rate amongst pregnant women reducing from 22% in 2002 to 18.2% in the 2012 (Namibia Government: 2012b). There are now fewer than 10,000 new HIV/AIDS infections in Namibia annually. The dominant discourse has shifted to see HIV/AIDS as no longer a priority problem even though it still qualifies as an epidemic with more than 3% of the population infected.

This perception is reflected in the Namibian government's current *National Development Plan 4* (NDP 4) and its *Vision 2030* documents, HIV/AIDS does not feature prominently. In fact, HIV/AIDS is referred to in the NDP 4 only a handful of times and when so, it only features as one amongst a number of chronic illnesses to be managed. In terms of the NDP 4, HIV/AIDS is a high priority but not any more so than cancer or diabetes. To understand why HIV/AIDS is no longer a hot topic, it is essential to pay closer attention to the status of democratic institutions and societal issues that animate political and economic discourse in today's Namibia. For health and HIV/AIDS stakeholders this means recognizing that for HIV/AIDS to remain a policy priority it needs to be relevant to Namibia's decision makers. The political reality is that decision makers in Namibia, like anywhere in the world, are unlikely to pay more than lip-service to HIV/AIDS unless there are clear incentives to do so. HIV/AIDS in Namibia increasingly competes with other health, economic and social priorities for the attention of decision makers whilst being curtailed by the limited financial and technical resources government controls. If it is to remain a priority, HIV/AIDS needs a constituency that creates political incentives for Namibia's decision makers to act. An aging electorate and leadership combined with one party rule since independence has led to very strong political incentives for the government to focus on longevity (SWAPO 2014) as part of its manifesto. In terms of HIV/AIDS, however, the incentive for politicians to make it an overarching priority is undermined by a combination of the fact that foreign donors pay for it, the pandemic's association with unwanted publicity both at the personal and national level and the its preponderance to increasingly be seen as a disease of the poor and disenfranchised. This would seem to at least partly account for the fact that the SWAPO

2014 Party Election Manifesto first talks of the parties successes with “spinal surgery, hip and knee replacement, maxillo-facial surgery, blindness prevention, nuclear medicine and cardiac surgery” before mentioning reducing mortality from “rates from HIV/AIDS, tuberculosis and malaria” (SWAPO 2014: 32).

As in many African nations extremely high levels of unemployment or underemployment are seen as the most pressing issues that governments need to tackle in order to maintain their hold on power. Having a healthy, educated and motivated work force that can compete in a globalized world is essential to economic growth and peace and security of any nation as well as to a sense of national pride and standing in the international community. By African standards, Namibia, with its small population and significant natural resources, is well positioned to respond to its national challenges. In fact, international donor assistance to Namibia is relatively small as a percentage of its GDP. By comparison donors spent N\$ 3 billion in 2012 which would only amount to about 5% of Namibia’s 2013/2014 N\$ 60 billion national budget (OECD QWIDS 2014 and Namibia Government 2013). Accordingly, the most effective approach to addressing HIV/AIDS is not likely to be a donor driven or parallel response but rather working within and in support of government priorities as committed to in international aid effectiveness commitments such as the Paris Declaration (OECD 2005) and even US Government’s (2009) own policy statements.

3.4 National Political Priorities, Longevity and Wealth Creation

“Why do they always want to talk about sick Namibians? Are there not healthy bodies with HIV.... you are HIV positive but you are also still a CEO or miner or teacher.... we need to talk about how stay healthy with HIV/AIDS rather than just talking about Namibia as another African failure.”

Head of a Namibian Gender Rights NGO, Windhoek, 1 July 2014

“AIDS is imported by foreigners and at the same time the US is telling Namibia to let more foreigners in.”

Namibian Journalist, Windhoek, 3 July 2014

Addressing HIV/AIDS through the government’s own priorities and systems would mean that USAID would be directing its attention to HIV/AIDS within the broader government system rather than just on HIV/AIDS as a stand-alone issue. In this regard, the most important entry point is to look at Namibia’s medium term planning and political priorities which are clearly focused on growing the economy, creating wealth and employment opportunities. This means attracting needed capital as well as growing local enterprises. However, the government acknowledges that much of Namibia’s labour force lacks sufficient capacity and skills to

compete within a global marketplace: the *National Development Plan 4* (Namibia Government 2012a) refers to significant work needing to be done in improving local competitiveness and evident opportunities to expand and deepen needed skills. Both Namibia's public and private sector depend on foreign labour particularly when it comes to jobs that require specialised skills. This translates into a public sector that lacks sufficient technocratic capacity to fully deliver on its developmental ambitions which is portrayed in the *National Development Plan 4* as undermining the capacity of the government to attract foreign direct investment (FDI).

When comparing the Namibian government's policy objectives with USAID's approach to addressing HIV/AIDS, one is immediately confronted with the notable lack of a consensus or public policy vision on what a well-skilled, healthy, HIV+ worker looks like and how Government should support such workers' participation and leadership in the economy. The concept of healthy and skilled workers, managers, public and private sector leaders that is a national priority hardly reflects the fact that as many as one in five of Namibia's leaders and elites are HIV+ too. Interviews with government officials (MoHSS 2014) revealed the fact that many health policy decision makers expect HIV+ Namibians to remain in the workforce as long as and with comparable career ambitions to any other Namibians. What this means is that HIV/AIDS needs to be main-streamed in all aspects of public policy and particularly those that go beyond that of health. An aging HIV+ population means a growing proportion of Namibia's wealth and decisions are controlled by HIV+ Namibians. HIV/AIDS is thus of greater importance to Namibia's *Vision 2030* economic growth ambitions because it has a major impact on economic growth modelling, skills development, family planning, agriculture and succession amongst other issues. Whilst this observation is obvious, USAID continues to invoke a narrative of HIV/AIDS as a pandemic or scourge which largely misses the point that Namibia's policy makers do not see the country in the same way and are not focusing public resources in this direction. This has resulted in the somewhat embarrassing fact that the *National Development Plan 4* of Namibia only refers to HIV/AIDS four times in its 187 pages despite USAID's continued advocating for HIV/AIDS.

At present the Namibian government spends 10% of its budget⁷⁶ on health with over a quarter of that going to HIV/AIDS. However, Government is expected to increase its expenditure on HIV/AIDS as it absorbs the one third of HIV/AIDS funding that currently comes from international development partners, mainly because USAID has communicated its intention to wind down financing. This means that when Government takes over all current HIV/AIDS spending, the proportion of Namibia's health budget allocated to HIV/AIDS will increase from one fifth to one third of the budget. External funding and technical assistance for HIV/AIDS is expected to continue declining leaving the Namibian government with the responsibility for managing the epidemic on its own. This will create increasing tensions between HIV/AIDS needs and that of other illnesses. It would be naïve to presume that there will be no competition, resistance or resentment to such a large increase in the Government's health spending on HIV/AIDS particularly when so many other health care gaps (e.g. cancer, diabetes, heart disease, etc.) compete for public attention. Despite this more than obvious challenge, however, there is little evidence that USAID or its HIV/AIDS implementation partners are paying much attention to making sure that HIV/AIDS is central to national policy making.

High HIV/AIDS infection rates tend to occur in poorer and/or rural communities (Namibian Government 2012b). The disparity in service delivery across the nation is sufficient to rank Namibia as one of the most unequal countries in terms of wealth distribution in the world (World Bank 2014), only marginally less unequal than South Africa. If this trend continues, there is a real risk that HIV/AIDS programming will replicate current disparities in service delivery meaning a possible situation where HIV/AIDS remains or grows as a problem in poor communities while being better managed in rich ones. This scenario could prove particularly toxic for HIV/AIDS programming because if it ceases to be seen as a priority for Namibia's elite, it will increasingly fade from Namibia's national policy planning framework thus receiving less resources and attention.

Parliament, Oversight and Civil Society: International development partners (EU 2014b, Germany 2013, NEPAD 2006, Totemeyer 2014) tend to concur that Namibia has insufficient

⁷⁶ Namibia's 2013/2014 national budget (Namibia Government 2013) is N\$ 60 billion of which N\$ 6 billion (or 10% of the national budget is spent on health). According to the Namibia National AIDS Spending Assessment report, the total spend on HIV/AIDS in Namibia in 2013/2014 will be US\$ 213 million (around N\$ 2.3 billion) of which Government spends US\$ 136 million (around N\$ 1.5 billion). This means that of the current Government health budget just over 20% is spent on HIV/AIDS. If international donors are to phase out and Government is to cover the entire HIV/AIDS cost the remaining N\$ 800 million (N\$ 2.3 billion overall spend *less* N\$ 1.5 billion currently paid by Government) covered by donors will need to be financed by Government. This will bring the national health budget to around N\$ 6.9 billion of which N\$ 2.3 billion or about one third will likely be spent on HIV/AIDS.

institutionalised watchdog and oversight capacities meaning that good governance very much depends on the benevolence of the ruling party. Namibia's democratic institutions and civil society very much operate in the shadow of the dominant ruling party. SWAPO, the political party that has governed the country since its independence in 1990, is widely popular and so well supported that it effectively has a monopoly over public policy. While officially a multi-party democracy, Namibia is in many ways more comparable to a one party state. Namibia's national parliament is composed of a 72 member national assembly⁷⁷ of which approximately 50 members are either part of the executive branch or were appointed by the president. The opposition parties are unorganized and pose no real threat to SWAPO dominance in law-making or in providing adequate oversight of the performance of line ministries, agencies or state own enterprises.

The National Assembly's standing committees do not appear sufficiently resourced to ensure effective and comprehensive oversight. A 2014 interview with a senior member of parliament that chaired a key caucus revealed the fact that parliamentarians are largely over-whelmed and under-resourced, with little in the way of research capacity and relying on the same executive they are supposed to over-see for legal opinions. The parliamentarian interviewed confessed that parliamentary discussions are largely dominated by the executive and that parliamentarians are rarely prepared or able to keep up with the workload. Nothing illustrates this lack of oversight more than the standing committees which too often have significantly too large a mandate and workload while being under-resourced with parliamentary staffers in short supply. For instance, the standing committee with responsibility for HIV/AIDS and other Health matters is also responsible for Human Resources, Social and Community Development. This Committee (www.parliament.na) has the duty to consider any matter it deems relevant with regard to Offices, Ministries, Agencies and State-owned and Parastatal Enterprises responsible for the following category of affairs which shall, inter alia, include the following: Education, Training, Sport and Culture, Employment Creation, Health and Social Services, Housing, Women Affairs and Child Welfare. Because Members of Parliament (MPs) that serve the executive are barred from sitting on any standing committees, few elected and even fewer paid staff service them. Furthermore, drafting of legislation is done by the Ministry of Justice and not the legislature meaning there is a significant disincentive to draft legislation that is not already endorsed by the executive. This significantly impacts the ability of the standing committees from playing their law making, representation and oversight roles and responsibilities.

⁷⁷ SWAPO has made expansion of the national assembly to over 100 representatives a 2015 election priority.

The Upper House/National Council's primary responsibility is to consider bills passed and referred to it by the National Assembly. This is in addition to ensuring that issues of regional concerns are incorporated into legislation and policies. Its capabilities in terms of human resources are even less robust than that of the National Assembly; with less technical capacity and fewer support functions the National Assembly is occasionally seen as only a 'rubber stamp' for the executive drafted legislation. Nonetheless, the National Assembly has a considerably closer link to constituencies because its membership is drawn from regional representation rather than party lists (proportional representation).

Namibian civil society and Civil Society Organizations (CSOs), comprising myriad, social, political, community, religious, labour organizations has steadily lost its voice and influence as SWAPO and its private sector supporters have consolidated power and influence (Totemeyer 2014). International donors have decreased their funding (Germany 2013) support for traditional civil society, citing the country's middle income status. Religious organizations and labour unions have been largely quiescent in the face of SWAPO's and government's monopoly over national resources, and decision making. At a structural level, a pressing national skills deficit has proven a significant impediment to retaining skilled staff. This is particularly problematic when it comes to oversight functions requiring analysts with a wide range of high level technical expertise in understanding legislative, judicial and related sophisticated processes. This problem is only exacerbated by the lack of domestic financial resources available to civil society. Similarly with only a handful of international donors supporting civil society and an apparent reluctance to finance more expensive 'professionalized NGOs' and/or core costs, the environment is not conducive to civil society watchdog functions. Furthermore, there is no robust parliamentary monitoring project meaning that even when there is the will to provide oversight, civil society is too often unaware of relevant upcoming legislation.

The Namibian media is diversified and active and plays a watchdog role on government and private sector dealings (Totemeyer 2014). However, there have been few serious consequences for government officials and private sector actors who have been accused of grand corruption. This is because the government's anticorruption commission and its court system, while functional in ensuring basic rule of law and transparency, has little power to enforce penalties on officials that are part of the ruling party's power structure. This high level impunity is creating resentment in society and fuelling a perception (correct or incorrect) that there is a culture of acceptance or resignation towards kleptocracy at all levels of society.

Decentralisation and Recentralisation: Despite the decentralisation act passed in 2000, decentralised governance in Namibia appears to be more policy than practice. While many line ministries have relegated more resources to the regions it is unclear the extent to which decision making has been decentralised. Government has at best de-concentrated some aspects of governance and service delivery but not devolved powers. This is because there are serious concerns within the ruling party (echoed in the SWAPO 2015 manifesto) that doing so would result in destabilization of the country and as a result threaten its hold on political and economic power. As a result, SWAPO has effectively undercut the power of regional councils by appointing regional governors making them accountable to the executive and not regional council or the people of the region. Some observers have pointed out that it is more likely that Government will transform its commitments to decentralisation into a practice of 'recentralisation' (i.e. further extending central government's reach to the regions rather than decentralizing decision making to the lower level).

The government's actual approach to decentralisation is of vital importance because USAID's approach to the HIV/AIDS epidemic is all based on strengthening Regional AIDS Coordination Committees (RACOCs). USAID's approach (see assumptions analysis later in this chapter) is entirely dependent on the assumption that the RACOCs are empowered to lead the HIV/AIDS response at the local level. The fact that decentralisation appears to be more about recentralising power means that USAID's approach of strengthening local level capacity to lead is not aligned with government mandates, authority and line management structures: put simply a centralised top down approach is about instructing the RACOCs rather than responding to and supporting them.

Contextualising USAID's Approach to Institutional Strengthening:

The core of USAID's approach to institutional strengthening in responding to the HIV/AIDS pandemic is working with regional and local councils at the sub-national level. However, progress is slow because regional and local authorities take instructions directly from national line ministries, many of which USAID does not necessarily have an ongoing working relationship with. What this means for USAID's approach to institutional strengthening, is that its presumption is wrong in the notion that institutional strengthening can safely be conducted at local level whilst bypassing national authorities. This finding came as no surprise to the implementing partners working on the institutional strengthening project but did not appear to be sufficient cause for concern for USAID to adjust the approach of the project.

Of particular interest was that at the time of conducting the field work in July of 2014 Namibia was gearing up for its national and parliamentary elections are scheduled for November 2014. While most respondents expected that Government policy would remain largely unchanged with the expected re-election of SWAPO, elections likely lead to a shuffle in responsibilities meaning the leadership of ministries that USAID was struggling to have a working relationship with were set to change. Furthermore, it was equally likely that new policy initiatives currently on hold would receive renewed attention after the elections thus providing USAID new opportunities for dialogue and possibly programming. What was interesting, however, was that despite the widely acknowledged need to forge partnerships and build strategic relationships with the upcoming elected leadership, very little was being done to contextualise the institution building programme into the political environment. When pushed to explain why, the common refrain was that USAID would 'deliver numbers' regardless who is in charge.

This finding is particularly interesting because it clearly contradicts the US Government's stated approach (2009: Executive Summary) of ensuring that "programs...be country-owned and country-driven.... the next phase of PEPFAR represents an opportunity for the United States to support ... countries in taking leadership of the responses to their epidemics." In some cases, donors do purposefully work around government particularly when government policy is contrary to the objective of the particular programme. However, in this case, Namibia's policy is entirely supported by the donor community. At the highest level, Namibia's elected leadership also appears to be improving representation in political leadership positions: at the time of the fieldwork SWAPO had already promised to ensure a 50-50 'Zebra system' whereby women hold 50% of all senior positions in an alternating manner such that if the President is a man, then the Deputy President is a woman and in the subsequent election these roles are reversed on a gender basis thus ensuring absolute gender equality the like of which is unheard of globally. What this means is that the woman's caucus and the female elected representatives are set to play a greater role in decision making at various levels of government. As a result, over time policy agendas that are of importance to women's issues are expected to get greater attention. For USAID this should be particularly interesting because HIV/AIDS is intimately connected to issues that female representatives in Namibia tend to be associated with: for example, gender based violence, equal pay, land ownership and marital laws are all prominent 'women's' issues but also causally connected to HIV/AIDS. The influence of influential women's groups is not explicitly acknowledged in USAID's approach even though the head of the Namibian National

NGO Forum⁷⁸, amongst others, see “women’s groups have been the most successful [amongst other groups and lobbies in Namibia] at bringing about change.”

At the same time, the field work in Namibia illustrated that policy makers are increasingly responding to the voices of young, educated urban elites rather than rural and poor constituencies. When asked, many HIV/AIDS advocates linked the government’s attention on urban elites to greater neglect of poor and marginalized as well as rural populations particularly when it comes to services vital to combatting HIV/AIDS. Less educated youth in urban, peri-urban or rural areas may also suffer disproportionately from HIV AIDS and related illness unless their voices are taken into consideration by emerging political elites.

Finally, it would be prudent to invest some resources in analysing the likely political scenarios in the medium term future to identify the risks and opportunities to HIV/AIDS programming. From a purely demographic perspective, many of liberation stalwarts that are currently the bedrock of Namibia’s political establishment will retire and/or exit politics in the near term future. This will result in a seismic shift in who controls the country’s political and economic agenda with resultant considerations for existing and future potential dialogue and partnerships.

3.5 The Donor Politics of Financing HIV/AIDS

Namibia is on the verge of the biggest structural change in how it manages HIV/AIDS since the epidemic first garnered national and international support. Concerns about international funding commitments are translating into a growing sense of urgency that HIV/AIDS programming will only be sustainable to the extent it is led by and inevitably financed by the government. This means an added burden to the Government of the Republic of Namibia (GRN)’s current workload, particularly worrying since there is already a notable implementation gap between what Government is committed to and what it is able and willing to deliver. Fortunately, GRN has already demonstrated notable commitment to HIV/AIDS by financing two thirds of the cost of combatting HIV/AIDS in Namibia. More recently, GRN has absorbed the large number of HIV/AIDS specialist doctors, nurses and pharmacists into GRN structures and onto GRN payrolls. Going forward, Government will absorb the bulk of HIV/AIDS services into line ministries and Government owned implementation mechanisms. The scale of this change should not be underestimated: current spending on HIV/AIDS is estimated at one dollars for every three dollars spent on health, with two thirds coming from Government and

⁷⁸ Interview 7 July 2014

the other third of HIV/AIDS spending still being provided by international development partners.

The Government of the Republic of Namibia (GRN) has supported a productive partnership with international development partners that has provided a decisive proportion of funding and/or technical know-how and access to important knowledge networks. This support, however, has served to mask a growing disconnect between how international development partners see the HIV/AIDS pandemic and how GRN does. For a start, while GRN is clearly taking ownership of HIV/AIDS, there continue to be fears cited by international donors in interviews of discontinued and insufficient service delivery or 'backsliding'. These fears that dominate the literature on HIV/AIDS in Namibia are directly attributable to the fact that ownership was not transferred earlier. The dominant concern is thus that there has been insufficient use of government systems to ensure all concerned that the transfer of HIV/AIDS services to GRN will proceed without interruptions.

While international development partners still talk about HIV/AIDS as a pandemic requiring urgent and specialist attention, the government sees HIV/AIDS as just one of a large number of other chronic conditions. Namibia's current medium term *National Development Plan 4*, only refers to HIV/Aids four times in 152 pages, preferring to roll it into other chronic diseases. For Government, the priority is not to keep HIV/AIDS as a distinct health response, but as part of the health system as a whole, by (table 23) "increasing the size, allocation and use of funding.... Retaining, attracting and training staff, revising the regulatory framework...coordination between all stakeholders...for improved access to health facilities....to reduce the prevalence of disease". Similarly, HIV/AIDS is taking a back seat to other social issues for civil society and the private sector. A GIZ funded 2013 survey of Namibian leaders found that two thirds of private sector leaders see HIV/AIDS as less of a threat; two thirds of businesses surveys featured HIV/AIDS in their planning in 2007 by 2013 it was only two in five business plans.

There is a bias in GRN and development partner strategies for presenting and supporting cooperation as a purely technical or organizational function. Coordination is thus presented as something that is achieved primarily through holding coordination meetings and providing support to secretariat services. While these aspects are the most visible aspects of coordination, there is not sufficient recognition of the fact that *coordination requires an enabling environment of its own*. The key features of this environment include a shared sense of what is at stake in coordinating HIV/AIDS programming, what the indicators of success and failure are and who

champions the cause and why. This wider sense of a shared priority enables coordination meetings to be held and agendas to be set that attract the relevant decision makers. In the case of Namibia, it is quite clear that the decision makers in the sector do not have a shared sense of what is needed in the sector. The signs of this are that HIV/AIDS does not feature as a priority in the parliamentary standing committees (political coordination structures) nor in Government's executive coordination mechanisms (the NDP 4, cabinet meetings, Permanent Secretary Meetings, etc.). Furthermore, even in the international development partners' coordination structures, while HIV/AIDS comprised 40% of all official donor disbursements in 2012, it is not coordinated through a stand-alone HIV/AIDS group⁷⁹ but rather through a group with a considerably wider mandate: the Health Partnership Group chaired by the World Health Organization. In terms of donor coordination, HIV/AIDS is addressed as a component of health, discussed in this wider working group⁸⁰ even though donors spent \$121 million on HIV/AIDS and only \$7 million cumulatively on all other health issues in 2012. Finally, there are already signs that even in the civil society sector, HIV/AIDS is no longer seen as a stand-alone priority, with many civil society leaders opting to incorporate HIV/AIDS into other programming and coordination priorities such as decentralisation, health, education, development etc. This means that there is a real risk that decision makers will not pay significant attention to HIV/AIDS unless it is mainstreamed and linked to Namibia's existing priorities that dominate the agendas in what are already functional coordination mechanisms (e.g. Government's monthly Permanent Secretary meetings). Interestingly, coordinating over 90% of donor spending in the sector requires the involvement of only three donors (USAID, The Global Fund and Germany) and no more than thirty projects.

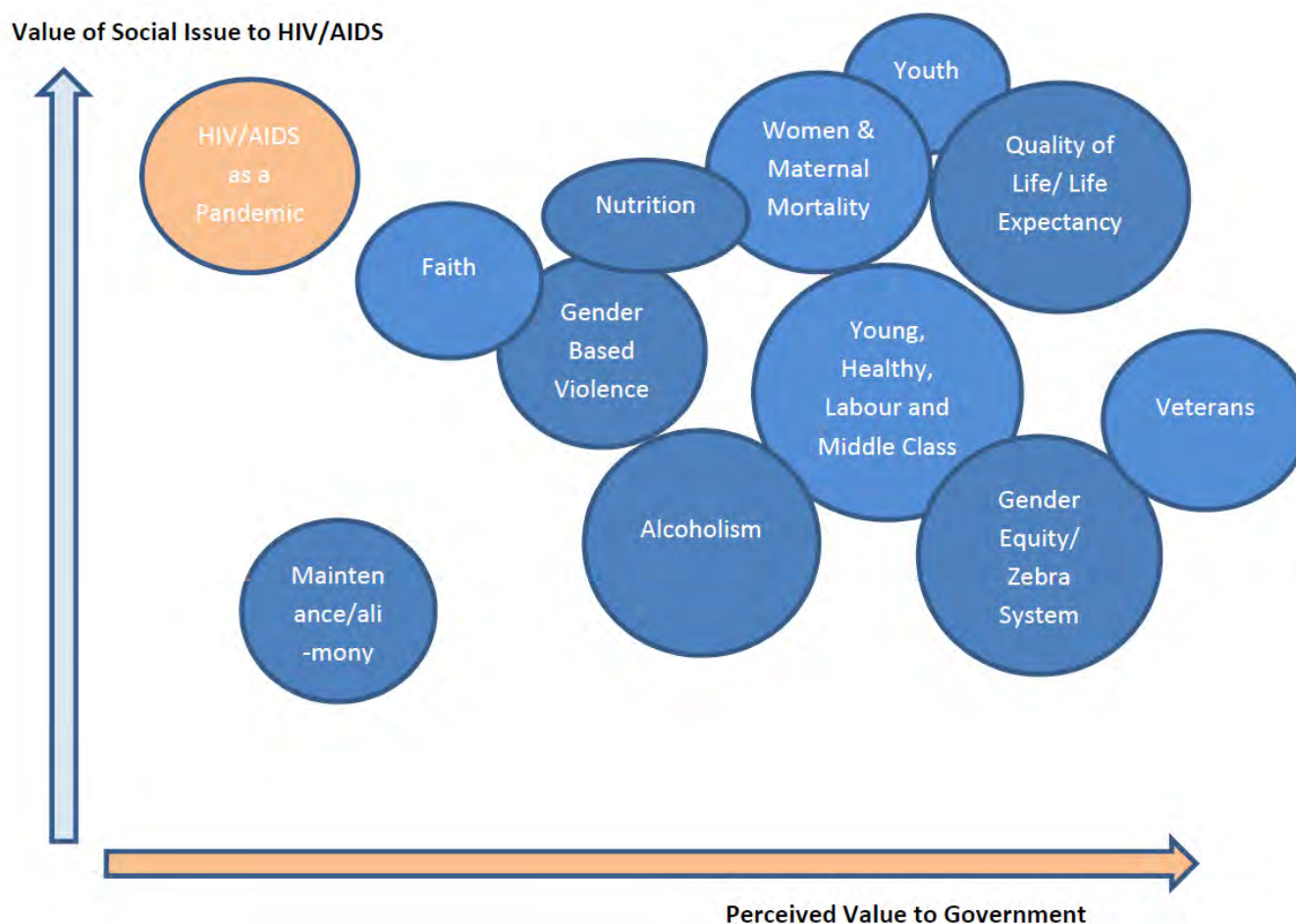
The conclusion is that for HIV/AIDS to be a government priority, it will need to successfully compete for the attention of decision makers and ensure that it is on the agenda when decisions are made. In a context where HIV/AIDS is no longer seen as the 'most pressing' priority or election issue, this means recognizing that HIV/AIDS needs to be connected to issues that are of political importance and can be related to by the electorate. Accordingly, the data from the interviews was 'work-shopped' with some of the respondents in the context of mapping out the political perceived political importance of HIV/AIDS within the political context in Namibia.

⁷⁹ The United Nations country team maintains an HIV/AIDS coordination mechanism but this is aimed at coordinating amongst UN agencies and thus does not inform the financing decisions made by the key donors in the sector.

⁸⁰ The health working group is chaired by the World Health Organization and includes representatives of donor organizations and other international development partners active in the health sector. While the group speaks to government it is not chaired or co-chaired by government thus being parallel to government coordination capacities.

The graphic presented below illustrates the conclusion of this workshop: issues that appear of political importance in Namibia at present. The higher up the vertical line the issue appears the more it has potential to be linked to meaningful ownership of the HIV/AIDS pandemic. The further along the vertical line the issue appears, the more it is seen as a priority to Government. The size and colour of the 'circles' have no significance.

Value of Social Issue to HIV/AIDS



The first conclusion, then, is that the donor driven narrative of HIV/AIDS as a pandemic does not have currency in the Namibian political context nor does it meet USAID’s stated intentions of incorporating programming into government priorities. However, this finding in itself is not that interesting because it is possible that USAID will continue to be the dominant external financier of HIV/AIDS programming in Namibia thus rendering the need to work with the government to a lower level priority. Accordingly, the field work continued with interviews and analysis focused on whether USAID’s approach to institutional strengthening in Namibia could constitute a viable approach even if it is not well contextualised in the local political context. The table below, therefore, compares the assumptions embedded in the project design with the findings presented above. The purpose of the table is to uncover the project’s implementation logic and assess to what extent USAID’s stated policy of working within the local context could improve the effectiveness of the project approach. The table clearly shows that USAID’s approach is not contextualised to Namibia’s political and economic context.

3.6 Assumptions Analysis

What assumptions does USAID have?	What does the research imply about USAID's assumptions?	Do the findings imply the USAID approach is flawed?	What would the implications mean in terms of what USAID's approach should focus on?
Country Context			
HIV/AIDS is a political priority	HIV/AIDS is not a dominant political priority although it does feature in related political priorities.	Yes	Ensure that HIV/AIDS features prominently in all related political priorities.
HIV/AIDS is a national policy priority.	NDP 4 does not treat HIV/AIDS as a stand-alone or priority; NDP 4 refers to HIV/AIDS 4 times in 152 pages; Vision 2030 is focused on longevity and quality of life.	Yes	Focus on getting HIV/AIDS incorporated into government dialogue, monitoring and oversight and dialogue with civil society and development partners. Organize and lobby for HIV/AIDS to feature in NDP 5.
Sector Policy supports HIV/AIDS as a priority.	NSF strong medium-term policy (although HIV/AIDS is seen as donor driven), Good evidence of productive policy dialogue but delayed coordination structures.	No	Continue emphasizing and drawing attention to NSF as a good practice. Use positive reinforcement to associate HIV/AIDS to good public administration practices.
Mandates and Authority in Place to Act as a Steward to the HIV/AIDS pandemic.	<p>Clear mandates for HIV/AIDS at the sector level but not sufficient incentives.</p> <p>The government's National AIDS Executive Committee (NAEC) seems like a good move but may be structurally unfeasible and/or unable to yield results, meeting every 6 months and with 30 or more members.</p> <p>Regional AIDS Coordination Committees (RACOCs) fall under the Ministry of Regional and</p>	Yes	<p>Concentrate on raising the profile of HIV/AIDS to government managers, especially to other line ministries and parliament.</p> <p>Combat the perception that NAEC is the silver bullet to the coordination challenge. Focus on drawing attention to information that justifies the need for the NAEC and draws attention to specific coordination priorities.</p> <p>Focus on and support the 6 RACOCs in priority regions for HIV/AIDS, draw attention to the value of information sharing and prioritizing actions. Address mandate and funding of RACOC's to</p>

	Local Government, Housing and Rural Development (RLGHRD) which is not focused on combatting HIV/AIDS. RACOCS do not have the authority to direct implementation.		provide thorough and sustained information dissemination at regional level and that the RACOCS actually are not mandated to do more.
Monitoring and Analytic Capacities are not in place and strategic information on HIV/AIDS is not available.	Data collection is in place, there are good databases but there is no leadership or champion of sharing and drawing attention to strategic information. Reports are submitted to the National Planning Commission (NPC) but not publically released, MoHSS has monthly data but not analysed or easily available.	Yes	Ensure dashboards for the priority RACOCS, lobby for all data systems to have open data features including to the public, strengthen leadership (civil society, faith base, government and parliament) to call for an evidence base and to use strategic information in lobbying, meeting agendas, communications. Draw attention to Government's commitments to monitoring in NDP 4 and NSF in the context of arguing that positive results and gov. successes are not sufficiently communicated.
Government has capacity to coordinate the HIV/AIDS response.	Not sufficient capacity in MoHSS/DSP both at a technical level and because of staff turnover. Lack of senior management support also undermines capacity to coordinate.	Yes	Build coordination capacity outside of Government with civil society, faith based organizations and parliamentarians.
Government has incentives to implement	No evidence performing on HIV/AIDS is a key performance criteria of senior government officers.	Yes	Strengthen civil society leadership to lobby parliament to ask targeted questions about HIV/AIDS when PSs report.
There is support for bottom-up accountability	Support is not strong but neither is there opposition; Government's commitment to decentralisation should be questioned. Decreasing donor funding will undermine civil society.	Yes	Through partnership with local organisations, hold "collaboratives" introduce strengthening leadership and capacity of civil society and faith based organizations as key to widening the focus and getting HIV/AIDS as a priority in the sector as a whole

Activity Level			
Clear Message to Decision Makers on Perceived Priorities	Message on coordination is confused, message on HIV/AIDS appears out of context and donor driven. Message on civil society support for government's good work is absent and message on decentralisation is politically risky.	Yes	Coordination should focus on common understandings and introducing strategic information to inform agendas, HIV/AIDS should only be talked about in the context of other gov. priorities, Encourage recognition of government successes, Highlight which aspects of the RACOCs work and focus only on the 6 priority regions for HIV/AIDS.
Local champions and allies.	The relationship with local champions is compromised by the impression that HIV/AIDS is donor driven.	Yes	USAID team to actively identify and build partnerships with champions in <i>related</i> priority areas, e.g. GBV, youth, etc.
Local Narrative/Descriptors	"HIV/AIDS pandemic" does not sit with Vision 2030's talk of "longevity" and combatting "non-communicable diseases" "healthy workforce"	Yes	Leadership activities with civil society to be combined with strategic information to build a <i>shared understanding</i> amongst all stakeholders (and particularly including donors) on how HIV/AIDS should get traction in being mainstreamed in government priorities.
Contextualized to Local Norms	No clear or vitriolic opposition to HIV/AIDS as a priority; Lutheran and Catholic churches support.	No, but.....	Invest in partnership with faith based organizations that are clear allies in keeping HIV/AIDS as a national priority.
Responsible party/advocacy group.	There is no obvious 'grouping' of like-minded actors that we can appeal to for support when we have challenges.	Yes	Work towards building a cohort through building leadership in civil society and in lobbying parliament and government.
Donors focus on HIV/AIDS as a subsector vs. Gov't's focus on health system of which HIV/AIDS is a part	There is a disconnect between international donors and the desire of Gov't to integrate (or mainstream) health services	Yes	intervention support would ensure HIV in integrated into the national HIS system, and support for human resources needs around HIV is rationalized and integrated

3.7 The Local Systems Approach

The research thus concludes that in this case the project designed is not contextualised and does not live up to USAID's own policies of supporting government policies and implementation plans. While interesting, this finding is not unusual on its own because the possibility still remains that a simple lack of technical knowhow or methodology prevented USAID to contextualise its institutional strengthening response in Namibia. This possibility, however, is unlikely since USAID is an enormous, deep pocketed and well-resourced donor. It is thus unlikely that USAID does not have the technical knowhow to analyse the political and economic environment with the view of contextualising their programming. Coincidentally, two months before conducting the fieldwork USAID (US Government 2014) collated the organisation's collective experience into a policy guideline on how best to use a 'local systems' approach (i.e. contextualise programming to the local political and economic context). In this regard, the research findings are compared below to the criteria put forward in USAID's *Local Systems Approach*. The analysis below demonstrates both that it is feasible for USAID to adjust its approach to local systems and that it has not done so despite it being feasible and despite it being instructed in USAID's own guidelines. The ten principles (US Government 2014) of a local systems approach are:

4.1. Recognize There is Always a System

GRN's system is coordinated through national and sector policies but the policies on their own are not an indication of GRN priorities. Public sector actors bemoan the 'implementation gap' implying that government lacks the capacity to implement policy but this critique only partly explains the link between the government's policy focus and its implementation record. Government actually has good implementation capacity but it directs its resources only at a subset of priorities within the existing policy frameworks. In other words, the political economy does not rank all policy priorities equally: the system of allocating government resources is not to implement all of the policy but rather to ensure that priorities are embedded in the wider policy framework. Government's priorities are thus usually both those referred in the policy frameworks and those to which the government allocates its limited and necessary resources (i.e. policy priorities that enjoy high-level political support are more likely to get resourced). This is partly explained by the tendency towards a non-confrontational politics in Namibia. In a non-confrontational political culture, the government incorporates unwanted policy priorities

rather than risking a public conflict over excluding them. It is easier to include them and not implement rather than incur the costs of a confrontation.

In Namibia's political culture it is particularly important to acknowledge that much of the policy around HIV/AIDS (including aspects of the National Strategic Framework and National Coordination Framework) are commonly seen by government officials as donor driven priorities and not really owned by GRN⁸¹. The conclusion is that if HIV/AIDS is to feature prominently in local systems, it either needs a national level champion at the highest political level or HIV/AIDS will need to feature as components of related government priorities that will be resourced and implemented. In this regard, working to the local political economy, USAID should have rather followed and integrated their priorities into related government priorities that address HIV/AIDS indirectly (e.g. supporting the NDP4 goal of strengthening human resources) rather than lobbying government to change its priorities to meet HIV/AIDS above all else.

4.2 Engage Local Systems Everywhere

Respondents widely reported thinking that HIV/AIDS is very much seen as 'yesterday's news' even though almost one in five pregnant women still test HIV positive. The most commonly referred to constellations in which public policy appears to be formulated in Namibia include: local constituencies, the churches, elites, SWAPO and other political parties, civil society, parliament and particularly the relevant standing committees, the media, Cabinet and line ministries. HIV/AIDS does not appear to be an overwhelming priority in any of these constellations although it does still feature as a major priority for the churches (e.g. Lutheran Evangelical), some parliamentarians and a portion of civil society. Furthermore, even in the donor community, the perception that HIV/AIDS is slipping as a donor priority does not provide a convincing picture of how international donors and development partners can champion HIV/AIDS.

What this means is that the attention of decision makers in any of these mentioned constellations is likely not focused on HIV/AIDS as a stand-alone issue. To raise the profile of HIV/AIDS to these constellations in the local system, USAID could have approached institutional strengthening from a wider purview trying to get the attention of decision makers in all

⁸¹ Some government officials and civil society respondents referred to the NSF as a UNAIDS document more so than a Government document. Others referred to the NSF as a document designed to appease major donors in the sector rather than as a document at the core of Government's planning, implementation and monitoring systems.

constellations and to change their approach to their existing priorities. The context thus called for a focus on illustrating the importance and added value of including HIV/AIDS within related social and economic issues in Namibia.

Accordingly, in line with the local systems approach, USAID should have seen that leadership on HIV/AIDS as an issue relates to how Government is accountable to wider stakeholders and that there is something of a revolving door between Government and non-state actors. Here it would have been worthwhile for USAID to investigate how best focus to build the leadership (and strengthening the accountability links) in Government as well as in all related constellations of the local system. In particular, this could have meant support to civil society, churches and local constituencies as well as speaking to members of parliament and political systems, the media and private sector elites, the latter of which is largely absent from USAID's approach in Namibia.

4.3. Capitalize on our Convening Authority

USAID has significant convening 'capacity' in Namibia because of its reputation as a credible partner to Government, international development partners/donors, civil society, local actors, NGOs and, less so, the private sector. On its own USAID does not have a 'convening authority' per se but it is able to take advantage of its reputation as a credible partner to bring together decision makers from different constellations. What is at stake, however, is convening meetings to work towards a shared vision for how Government can take ownership of the HIV/AIDS pandemic and how different actors can advocate for this lead. One option could have been to use strategic information to convene meetings and work towards a shared vision and common narrative. However, to make meaningful progress, more attention needs to be paid to the fact that Government complains of receiving fragmented, competing and occasionally contradictory messages⁸² from HIV/AIDS advocates (donors, civil society and international development

⁸² For example, there is an inherent contradiction in some international development partners insisting that Government creates a separate coordination structure for HIV/AIDS while other development partners say that HIV/AIDS needs to be mainstreamed in existing government systems (which clearly think HIV/AIDS should be coordinated as part of a wider health mandate. Similarly the call for Government to continue maintaining and analysing separately resourced HIV/AIDS information networks seems to contradict with the goal of improving Government's health systems as a whole. A similar dynamic occurs in relation to civil society where some development partners insist civil society in HIV/AIDS is separate and different to civil society's role in provision of wider or integrated social and health services. Most notably contradictory messaging undermines management of the HIV/AIDS pandemic when it comes to different development partners calling for different organs of Government to play a leadership role such as between the MoHSS, OPM, Office of the President and National Planning Commission. By creating the impression that international development partners disagree on who is most responsible for managing the HIV/AIDS pandemic in Namibia, they are actively creating incentives for possibly unrelated actors to overstep their mandates in the sector only increasing the disincentive for MoHSS to lead. After all the more international development partners appeal to other organs of

partners). This is partly due to the fact that the market based way in which USAID makes funding available, means that HIV/AIDS advocates are as much in competition with each other as they are pursuing a common cause. This means that USAID's approach to financing the sector is at least partly responsible for undermining the very 'convening authority' USAID's guidelines say it should make use of.

4.4. Tap into Local Knowledge

USAID has strong local knowledge networks through its partnerships with Government ministries, civil society and faith-based groups, NGOs and international development partners. Collection and analysis of local knowledge, however, appeared to be poorly analysed with different service providers in the HIV/AIDS sector routinely criticising the quality of data and know-how of each other in interviews referenced above.

4.5 Map Local Systems.

Local systems appear to have been partly mapped in USAID directing its attention at local level RACOC committees. However, USAID's approach relies on the RACOCs to have capacity, resources and most importantly authority, all of which, interviewees reported them not having. Part of the issue is that USAID appears to have presumed that the RACOCs have more authority than they do; in practice RACOCs have no authority to instruct line ministries to improve their response to HIV/AIDS. This means that all the capacity development and resources USAID directs at the RACOCs are only useful to fighting the pandemic should the RACOCs be afforded a gracious reception from line ministries. In practice the core of the problem is that USAID has strengthened the RACOCs' capacity to complain to line ministries but actually invested insufficiently in the line ministries themselves. At best the approach of advocating change at the RACOC level is optimistic, at worse interviewees called it misguided and an apparent misconception of how local systems work.

4.6. Design Holistically

USAID is using an integrated/ cross-sectoral approach already but this is only to respond to HIV/AIDS in a holistic manner. In reality, USAID should have designed its approach to HIV/AIDS in the context of supporting the Government's own holistic approaches rather than demanding a holistic response to HIV/AIDS. This failure to design holistically is no more apparent than when perusing the *National Development Plan 4* (NDP 4), Namibia's most important medium term

government to play a role, the less MoHSS has an incentive to lead for fear of being criticized by these other organs or being seen to disagree on the Government's approach in public.

holistic policy framework. NDP 4 largely sidesteps HIV/AIDS as a priority only referring to it four times in almost two hundred pages. Interestingly, when interviewed (Namibia Consultant July 8, 2014), one of the consultants that drafted much of the NDP 4 explained, “health was not meant to be included in NDP 4 and nobody particularly fought for it [meaning HIV/AIDS] either”.

4.7. Ensure Accountability.

As a foreign government agency, USAID has no mandate to demand accountability from Government or other donors. However, if USAID is to meet its goal of strengthening Namibia’s institutional capacity to lead the HIV/AIDS response, there is a pressing need to promote greater accountability amongst all actors in the sector on ensuring consistent messaging on how best Government can and why it should take the lead. Fragmented and competing messages⁸³ from civil society and international development partners combined with ineffective dialogue only increases the risk that the transfer of HIV/AIDS programming to the government could result in interrupted service delivery or backsliding. A unified call to Government from non-State actors, interested elected officials, senior government officials and international donors effectively creates the impression of a constituency that can be won over. Creating such a constituency is instrumental to putting in place incentives and disincentives for decision makers to make HIV/AIDS programming a priority.

While USAID cannot or should not hold other actors to account, it could go a long way to demonstrating the importance of providing a support role to government to take the lead rather than playing a critical oversight role. In this regard, accountability in the medium term future (in which donor funding to the sector is set to decline) should be about promoting dialogue between Government and its international development partners on their respective commitments. On the side of actors in the HIV/AIDS sector this commitment is about supporting and recognizing Government’s authority in the sector and on the side of Government this is about living up to and recognizing its commitment to taking ownership of HIV/AIDS programming while preventing interruptions. In terms of accountability, USAID should advocate for an environment in which HIV/AIDS advocates are accountable to the needs of the sector as a whole in how they craft their messages and communicate with Government: in this regard, positive reinforcement should be used to demonstrate the value of non-confrontational,

⁸³ Some government respondents, for example, when questioned about the priorities in the NSF, explained different priorities as being included because of the agendas of different international development partners. Unfortunately, this implies that international development partners have not successfully communicated a consensus on the importance of the priorities to *the government*.

appreciative enquiry techniques to avoid critical engagement in a public sphere that risks alienating Namibian decision makers.

4.8. Embed Flexibility

The National Development Plan 4 (NDP 4) currently covers the period to 2016/17 meaning that in all likelihood Government started reviewing and preparing for NDP 5 by the end of 2015. At the stage of the fieldwork (2014) there was no consensus amongst USAID financed HIV/AIDS advocates on how to ensure that HIV/AIDS features strongly in NDP 5. USAID appeared to have taken no action and put no remedial plan in place to respond to the fact that national development planning was not focusing on HIV/AIDS as a high level priority. Ironically, instead of USAID demonstrating flexibility by adjusting its approach to the new Namibian policy and political reality, it appeared inflexible to the changing reality. When questioned, one USAID Official (4 July 2014) quipped about USAID's management decisions: "they don't really care about the systems here; they just want to report numbers" (meaning numbers of Namibian's treated, transmission prevented, etc.)

4.9. Embrace Facilitation

Because of the dynamics of providing institution building support to a sector as a whole rather than a specific organization, USAID actually had no option but to take a facilitation based approach to institution building. What this means is looking for strategic opportunities and using strategic information to bring together leaders in the sector so as to facilitate their taking a lead. It is fundamentally important to recognize that HIV/AIDS in Namibia is going to be addressed through inter-sectoral coordination; top down decision making by Government will likely be avoided because it would mean putting coordination of HIV/AIDS above the authority of standing ministers and permanent secretaries. The need to facilitate coordination rather than instruct is clearly demonstrated by much of the analysis done to date which well documents the difficulty and resistance to instructing line ministries to deliver (e.g. at RACOC level). However, despite being the largest donor in the sector, USAID had invested very little in strengthening government coordination and ability to facilitate an integrated response to the epidemic. In fact, when interviewed, USAID and its implementing partners tended to be dismissive of government efforts to facilitate a coordinated response but more problematically, none of those interviewed saw USAID as needing to take responsibility for supporting facilitation. Instead government was presented as failing in this function with government being solely responsible for addressing this failure.

4.10. Monitor and Evaluate for Sustainability

There is a significant gap in the way that actors in the HIV/AIDS sector program in Namibia in that there are evident information gaps and a lack of comprehensive, evidence based monitoring and evaluation. HIV/AIDS advocates need to forgo the current tendency to cherry pick strategic information in advocating for their respective organizational mandates in favour of pooling existing data and calling for sector based joint monitoring and evaluation. In this space, it is apparently vital to identify and share strategic information that is of importance to a wide set of actors in the sector to promote a shared understanding of the challenges at hand and what is at stake in backsliding in the sector. Furthermore, more attention needs to be paid to collating lessons learned to inform better policy making and to attract the attention of decision makers so as to ensure a better implementation record.

“The only time I get asked for data is from [the department of] special programmes and that is only when they are trying to get a donor to give more money.... I am not sure they [the senior management] read the data [meaning understand then numbers].”

MoHSS Official/Information Directorate responsible for Government’s health databases, interview July 3 2014.

Here it was particularly glaring how USAID financed research and analysis and monitoring in the HIV/AIDS response but instead of this information being widely shared and used in government policy making, it was rather being used by HIV/AIDS advocates to demonstrate failures. Nothing demonstrated this more than a visit to the monitoring and evaluation unit in the MoHSS. When asked about collecting and analysing HIV/AIDS data, the government official responsible explained that data was collected by USAID HIV/AIDS monitoring officers who then fed the data into a national database that can only be accessed by written authorisation from the Permanent Secretary of MoHSS. When asked, how the data was used, the government official laughed saying that there are dozens of databases being maintained but in his experience rarely being used to produce statistical reports. In another interview a USAID contractor pointed to a recent high level meeting in which UNAIDS reported on HIV/AIDS statistics. The senior management of MoHSS responded with surprise and questioned where the data came from with UNAIDS shame facedly explaining that they found the information on the MoHSS’s own database when being given access in designing a related project.

Funding Context: HIV/AIDS

Although the government covers an estimated two thirds of the cost of HIV/AIDS programming in Namibia, HIV/AIDS is still a bigger priority to international donors and development partner than it is to the government. With an estimated two fifths of official aid disbursements to Namibia comprising funding for HIV/AIDS there is a lot at stake for donor organizations, in how effectively Namibia institutionalizes HIV/AIDS programming.

Official Disbursements to Namibia in \$US

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
All Donors, Total	88.40	120.19	142.93	106.05	151.23	208.79	209.74	288.41	269.93	307.62	300.89
Germany	12.44	32.38	34.66	22.61	15.87	22.96	27.85	41.19	28.76	74.11	51.18
United Kingdom	1.77	2.15	2.40	1.23	1.49	0.88	1.01	0.68	0.56	0.15	0.44
United States	17.03	29.20	34.29	28.83	50.53	58.83	70.95	90.28	117.20	112.95	148.89
EU Institutions	19.02	16.27	23.04	17.19	15.49	28.11	26.60	32.59	10.81	31.64	26.93

Source: OECD.org (OECD QWIDS)

In 2012 official disbursements of development assistance (ODA) to Namibia amounted to \$305 million. The United States provided half of all aid disbursed in 2012. More than 40% of the total \$305 million in ODA or \$128 million of aid to Namibia was spent on health. However, 94% or \$120 million of the total donor health expenditure is on HIV/AIDS. The remaining 6% of health spending largely went on malaria, monitoring systems, maternal health, etc. The US provides three quarters (\$ 84 million in 2012) of disbursements on HIV/AIDS in Namibia. The remaining disbursements to HIV/AIDS come from the Global Fund for \$35 million and Germany \$2 million. In other words, by working with only three donors the vast majority (\$121 million of the \$128 million) of donor funds spent in the health sector can be coordinated. Furthermore, there are actually only 30 projects in the health sector that disbursed more than \$500,000 in 2012 and together they account for more than 90% (\$117 million of \$128 million) of all disbursement to health. Accordingly, the majority of donor support to the sector could be coordinated by three donors reviewing no more than thirty different projects.

Namibia's national budget was around N\$ 60 billion (US\$ 6 billion) in 2014/2015 with N\$ 52 billion coming from revenue. Education receives the largest allocation with over a fifth of the national budget, N\$13 billion. The second biggest allocation is N\$7 billion, which goes to the Ministry of Defence and the Ministry of Health and Social Services receive N\$6 billion or around 10% of national budget. Other significant allocations include N\$ 4 billion for the police and N\$ 2 billion for veterans. The largest project expenditure is for the *Targeted Intervention Programme for Employment and Economic Growth* (TIPEEG) that receives just under N\$15 billion for three years or just under \$5 billion a year only marginally lower than Government's budget for MoHSS.

3.8 Implications for USAID

Successful multi-sector coordination of the national, regional and district response to HIV/AIDS should be forward looking, using strategic information to bring together key stakeholders in the context of existing local systems and policies. Here USAID should pay attention translating the 'HIV/AIDS crisis' into concepts and themes that have relevance within Namibia's current political context. Realistically, the strongest incentive USAID can provide is in drawing attention to and helping Namibian's lobby for HIV/AIDS related issues. Past experience shows that coordination is largely unsuccessful unless it is grounded in strategic information that affects the implementation plans of all involved. Furthermore, criticism and drawing attention to failure is commonly ineffective because it inevitably shames the decision makers USAID needs for effective implementation. Accordingly, if USAID had followed its own guidelines and contextualised programming within the Namibian political context, it would have supported coordination and implementation that is focused on the future, emphasising Namibia's successes in trying to build constructive partnerships in combatting the pandemic.

The GRN communicates through policy processes but only select parts of national and sector policies are actual priorities. As pointed out earlier, a non-confrontational political style means officials are more inclined to include a policy priority and not implement it than risk a confrontation with civil society or international donors in excluding priorities. To be relevant to Government, then, it is imperative to both ground all support within national and sector policies *and* to focus attention on where there is momentum in implementing policies. Fragmentation and competing narratives between donors, implementing partners and civil society is undermining dialogue with Government and results in a convoluted if not contradictory message. This fragmentation is a significant disincentive for government decision makers to engage with the sector as a whole. To reduce fragmentation, USAID should be promoting a

shared vision and common narrative with government decision makers instead of pushing for its own narrative. USAID could, for example, look closely at how best to keep HIV/AIDS in the media especially since it is currently considered not newsworthy. USAID could proactively analyse and identify potential allies and partners. In the technical space, this means more attention on the lower level technical government officials that are important to the HIV/AIDS response regardless the minister or permanent secretary. One of the most important incentives USAID could have provided to government officials is public recognition of the good work they do combined with assistance to officials so that they perform 'on the job'. More importantly USAID's own stated policies and guidelines would imply they pay more attention to identifying potential alliances with power brokers in the larger society, e.g. with like-minded members of parliament, elites and/or the private sector.

All of these considerations are even recognised by USAID officials in the country. One official, for example, expressed exasperation that without focusing more on strengthening the government's systems as a whole, there would be "back sliding" (US Gov Official – interview 11 July 2014) in containing the pandemic. Nonetheless, an apparent acknowledgement of a problematic approach that runs contrary to USAID's own policies and guidelines as well as common sense is not sufficient to effect change.

3.9 Conclusions and Implications for the Research Question / Analytical Framework

USAID's approach to the HIV/AIDS epidemic in Namibia does not appear to take into consideration the local political and economic context. This decontextualized approach is seen even by the project's own principles as increasing the risk of failing and likely to prove costlier to deliver whilst also maintaining Namibia's dependency on USAID to continue HIV/AIDS service delivery.

More interesting for this research, however, is that USAID continues its approach despite clearly conflicting with its own stated policy objectives and guidelines. At the same time, there is no apparent justification for this decontextualized approach with USAID's own officials and partners decrying it and nobody in particular seeming to benefit. One possible explanation could be that the government is too corrupt or the operating environment too complex to make feasible the preferred approach of aligning with the government's approach. This explanation, however, does not make sense in Namibia where the country is stable and enjoys a comparatively rich fiscus, well-functioning administration, good democratic practices and the rule of law. In this particular case, it seems that the donor's insistence on programming in the

way it does, is not in any way related to the context, exposing most problematically, what one NGO⁸⁴ decried as a practice of “donors and international donors [enter] the space incorrectly: they [do] not come to help but came to fix some problem.”

USAID clearly plays a vital role in continued treatment and containment of the HIV/AIDS pandemic and the government’s response whilst bigger than that of donors is also subject to criticism. The problem, however, is that USAID’s approach is not really seen as being any better than that of the government’s with some respondents commenting that USAID’s approach is more about showcasing that USAID knows best rather than anything else. USAID’s support for HIV/AIDS programming is thus difficult to divorce from a narrative of criticism the government and accusing it of caring less about HIV/AIDS than donors do. One USAID contractor summed up this perspective well by explaining “health information is key to getting individuals to take ownership of their own health”⁸⁵ but in the context meaning that Namibians don’t take ownership of their own health problems because the government denies them information. As the respondent went on to explain, “USAID focus has been on data rather than institution building. It has not been very successful at listening to the system and trying to fix it. Rather USAID has placed a strong layer on top of a poorly functioning system.”

Possibly the most significant finding is the apparent aversion of USAID to work with elites, agenda setters and high level leadership in addressing the HIV/AIDS pandemic. Whilst USAID talks about enabling ownership, it in fact focuses most of its attention on building relationships with actors that clearly do not have ownership or particularly care about the pandemic. Nothing illustrates this more starkly than the fact that USAID is not engaging parliamentarians when the women’s caucus itself, expressed the need for very basic support (research and legislative drafting) to push for greater oversight of and attention to HIV/AIDS. Put plainly the approach USAID is adopting is not grounded in the actual political economy of combatting HIV/AIDS in Namibia. As interestingly, there is no indication that USAID finds this of sufficient concern to want to change it: the Namibian government is set to go through a seismic generational shift as the current cadre of managers is replaced with a younger group, more familiar with new technologies and less shaped by a struggle politics constantly on the guard against potential ‘spies and infiltrators’. Instead of USAID focusing its attention on building relationships with this

⁸⁴ Interview with Namibian HIV/AIDS NGO, July 7 2014.

⁸⁵ Interview July 11 2014, USAID grant recipient/contractor.

new cadre it has rather created a self-justifying narrative about how the current cadre is corrupt and disinterested and thus beyond reproach⁸⁶.

Part of the problem with engaging the emerging cadre of leadership appeared to be a resistance to working with 'elites'. The narrative surrounding the HIV/AIDS response in Namibia appears to lend itself to a logic that implies the role of donors is to help the disenfranchised not those already empowered. The problem is that by its very nature, the government has ownership only where there is some form of elite interest in the particular issue. Regardless of the fairness of the situation, when it comes to getting a national government to take ownership, it is impossible to conceive of a response that does not enjoy the support of the government leadership itself. And, with Namibia being ruled by the same party since independence, the very leadership of government are firmly members of the country's elites. In other words, USAID has preferred an approach of bemoaning exclusion by the disenfranchised rather than one of working with elites to ensure ownership at the highest level. Furthermore, the more USAID focuses on disproportionately supporting the disenfranchised, the more it puts HIV/AIDS on the wrong side of a politics of exclusion and disenfranchisement that seeks to strengthen the hand of the elites whilst better justifying ignoring the voices of the disenfranchised. A Namibian journalist⁸⁷ summed up this dynamic in explaining "AIDS is imported by foreigners and at the same time the US is telling Namibia to let more foreigners in." This dynamic is certainly not helped by HIV/AIDS infection rates, being concentrated in six regional hot spots in poorer, rural communities that are perceived by some elites as part of a backward Namibia that will never be integral to the Namibian economic success story.

Accompanying USAID's apparent reluctance to partner with and engage elites is the problematic finding that its engagement in the HIV/AIDS space appears to rely on a confrontational form of communication. This confrontational communication essentially calls out the government for not caring enough about its citizens by ignoring the urgency of the HIV/AIDS pandemic and, in any case, not being competent enough to respond to the pandemic even if it wants to. The communication continues that USAID is an essential partner because it brings a more sophisticated approach to addressing HIV/AIDS. However, the approach proffered by USAID, when unpacked, is not particularly sophisticated and in fact does not convincingly deliver new

⁸⁶ In every interview with US, other donor officials and USAID contractors, reference was made to the leadership of MoHSS having a history of corruption. When pushed as to why the dialogue with MoHSS appeared to be so weak, a recurring explanation was the assertion that senior management was only interested in "tender opportunities" (as one respondent put it).

⁸⁷ Windhoek, 3 July 2014

methods or approaches or sophisticated responses. When examined a little closer, the promise of 'strategic information' is nothing more than communicating data already in the government's database and the collection and analysis of HIV/AIDS data is just deploying numerate (often foreign) monitoring offices to local offices so they can capture data on computers procured by USAID. When unpacked the new technologies USAID promises in the fight against HIV/AIDS, are nothing more than repackaged government data that draws specific/special attention to HIV/AIDS over and above the gamut of health challenges Namibia's government faces on a day to day basis.

In line with the research question, this chapter has shown that USAID is committed at a policy level to directly supporting the beneficiary country development plan and has both issued clear instructions on how to do this at the strategy level and on how to contextualise programming to the local context. The case of USAID in Namibia, interestingly, demonstrates that even when the context allows, there is notable resistance to contextualising development cooperation within the local political economy. At the same time, the Namibia example illustrates that even when a government is demonstrably committed to addressing the particular developmental challenge⁸⁸, it does not prevent development cooperation creating a narrative that posits the government as morally and technologically lacking. Further, even when it is clearly within the interest and stated policy of USAID to adopt the government's broader definition of the problem at hand (as being about health systems and not exclusively HIV/AIDS), there is little evidence that donors are willing to do so. Unlike with South Africa, there are clear benefits to key actors in invoking a narrative of moral and technological superiority over the beneficiary government. Whilst the analysis suggests this narrative is detrimental to USAID's stated goals, it does align with the interests of senior managers in headquarters whose performance is measured by what they directly deliver and control. In this regard, forgoing the narrative could be seen as a threat to command control of senior USAID officials (particularly the senior management of PEPFAR) over USAID funded projects because by implication it would imply that USAID would be best suited to directly support the Namibian government and in doing so relinquish control over running project activities in parallel. The analysis thus concludes that the invoking of a moral and technological imperative is donor driven and not related to the context in Namibia.

⁸⁸ It is worth recalling that the government far outspends donors on HIV/AIDS services in Namibia.

4. South Sudan Case Study

The European Union's (EU) approach to allocating funds in South Sudan is a key case study in this doctoral research because, unlike with the previous two case studies, it allows for easy comparison to other beneficiary country contexts. This chapter then should be read as being especially connected to the comparator country chapter that follow. The case study is used to test the hypothesis that the EU's allocation of development resources does not follow its stated policy of supporting 'partner government' development plans⁸⁹. The chapter then explores the hypothesis that the EU's allocation of development resources is an extension of a narrative of moral superiority. The case study is used to explore whether there is evidence to suggest that the EU's allocation of development funding is done so in its own interests or to better serve the people of South Sudan.

4.1 Introduction

This chapter first explains that the EU has a stated policy commitment to allocate development resources directly in support of beneficiary country development plans. The chapter then explains why South Sudan has been selected as a case study and how it will be used to demonstrate to what extent the EU's funding allocations deviate from those of the South Sudan Development Plan (SSDP). The chapter shows that South Sudan was not selected or intended by the EU to be an exception to the stated EU policy of supporting government development plans. The chapter details policy commitments that show that in the specific case of South Sudan the EU remained committed to support South Sudan's development plan: the EU claims it directly supports the *South Sudan Development Plan (SSDP)* and the government reciprocally called for donors to directly support its development plan. South Sudan's government also emphasised the commonly agreed *2005 Paris Declaration on Aid Effectiveness* and calls for donors to respect government systems, terminologies and sector definitions.

The case study then shows that the *EU Single Country Strategy for South Sudan* side-steps and avoids addressing the most pressing development challenges in South Sudan. Instead the EU allocated its development resources in a way that did not meet government requests to respect

⁸⁹ The policy of allocating funds according to the beneficiary country's national development plan is clearly stated in the introduction to the EU Single Strategy for South Sudan (EU 2011b: para. 2) but has subsequently been incorporated in the EU's global programming guidelines (EU 2012c: para. 2.2) in which EU Delegations are instructed "wherever possible, of existing national or regional policy documents as the main reference documents for the programming process."

its sector definitions thus creating a means for the EU to fund activities that fall outside of government decision making structures. The case study then demonstrates that in each of the five priority sectors that the EU allocates funds to, the EU justifies its resource allocation by invoking a moral superiority (moral imperative) combined with a call for a new technique or method (technology) to be funded by EU resources. The case study is analysed to explain the rationale behind my hypothesis that the 'moral imperative' and new technique or method ('technology') is a symptom of an internal donor logic rather than real development challenges. Finally, this chapter proposes how to measure whether this patterns recurs in other country cases (next chapter) in an effort to verify whether this is the result of the specific country (South Sudan) context or better explained by the way the EU itself allocates development resources.

4.2 The Case of South Sudan and the Role of the South Sudan Development Plan (SSDP)

In 2009 following many years of trying to work better together and to make aid more effective, the Council of the European Union approved an "Operational Framework on Aid Effectiveness" (EU 2009). Part of this framework was a renewed commitment to joint "multi-annual programming" (EU 2009: Para. 3g) meaning that instead of the EU and EU Member States (MS) each designing their own programmes in beneficiary countries, the EU and EU MS agreed to one common programme for supporting beneficiary countries. The conclusions of the operational framework also and repeatedly noted that such programmes should be based on the beneficiary country's national development plan.

None of this rhetoric was new to the EU but in 2011 South Sudan's declaration of independence offered a unique opportunity to put these principles in practice. On the one hand, South Sudan's development plan had already been endorsed by donors who had also financed its development⁹⁰. On the other hand, the EU and many of the EU MS had never previously designed bilateral or a joint country strategy explicitly for South Sudan before (largely because it was not independent and because humanitarian needs were so severe). Because South Sudan was a new country and the EU's involvement in it had previously focused on humanitarian or emergency support rather than development cooperation, this makes South Sudan an invaluable case study in that it is as close to a blank slate (with no legacy *development type country programmable aid*) as a researcher is likely to find. Whilst the EU has funded programming in South Sudan for decades, the partnership with the government in terms of a strategy for development cooperation based on the South Sudan Development Plan, is entirely

⁹⁰ Interview: 2011 South Sudan Ministry of Finance: "The SSDP was written by the donors so how can they now claim it is unrealistic?"

new and is less influenced by a long history of previous and legacy development programming (as is the case in most other countries). In late 2011, the EU and eleven EU MS, as a show of support to newly independent South Sudan, developed a joint multi-annual strategy for development cooperation in South Sudan. The strategy ('joint programme') committed €830.71 million in support "to the 2011 to 2013 South Sudan Development Plan". (EU 2011: Para. 1)

The purpose of this case study is to compare the EU's *Single Country Strategy (Response Strategy) for South Sudan 2011-2013* with the *South Sudan Development Plan* to identify commonalities and, more importantly, divergences. My hypothesis is that the differences between the EU's and Government's plans will provide an insight to the implicit rules that shape how the EU allocates its development resources. The EU's explicit rules and policy clearly call for development resources to be allocated *in support of* the beneficiary country's development plans: for South Sudan the European Union's financial allocation is made in a complementary legal document titled the *Support Programme for the South Sudan Development Plan 2011-2013*. Thus, what emerges as diverging from the government's own plan must be due to implicit rules or incentives that shape EU decision making. Insofar as implicit rules and incentives account for the EU deviating from its own explicit policies they give an insight into the political economy that informs EU decision making in development cooperation.

This chapter starts by reviewing the sectors in which the EU and EU Member States are investing their aid with the aim of identifying where the EU's approach differs from that of the government's. The sector analysis looks at what is omitted by the EU in its strategy as well as what constitutes a 'priority sector' in which the EU intends to have an outsized influence. The comparison of the EU's with the government's strategy is further detailed to uncover a bias in the EU's approach towards invoking a moral imperative and technological superiority that is not explained by the particular country context and development challenges at hand. Further analysis shows that invoking a moral imperative and technological superiority is productive in the sense that it forms the foundation of a narrative by which the EU justifies its spending on development cooperation and mobilises support for programming. However, there is little evidence to suggest that the moral and technological advantage presumed in the EU's narrative is justified by the context. The chapter then concludes by asking whether this manufacturing a sense of moral and technological superiority is a necessary condition of the way the EU does development cooperation or if it, in itself, is a primary incentive to finance development cooperation.

4.3 Sector Interventions - Differences

The Organisation for Economic Cooperation and Development (OECD⁹¹) classifies donor interventions into different sectors based on a detailed coding system in order to differentiate projects and collect data. Donors, on the other hand, often define sectors based on policy and thus with the *2012 Council of the EU Conclusions on the Agenda for Change*, the EU introduces a focus on (EU 2012: Para. 8) “sustainable agriculture and energy, including natural resources management” sectors. ‘Sustainable agriculture and energy, including natural resource management’ is a sector specifically created to promote EU policy towards renewable energies. With governments, however, the definition of a sector is both a policy and administrative act. Defining a sector is accompanied with a sector development policy that *allocates* and mandates responsibilities to government ministries to implement the said policy. When the 2005 Paris Declaration on Aid Effectiveness sets its first two priorities as ownership and alignment, it is full recognition that development assistance must be programmed in line with government sector definitions⁹² and mandates (EU 2011: Annex 2). This approach is adopted to ease management of development assistance and ownership thereof; otherwise, it represents an externally imposed definition of how government and service delivery should be organised. For example, if the EU were to finance a large project in the ‘sustainable agriculture and energy, including natural resources management’ sector it would struggle to transfer ownership simply because the project crosses so many departmental and policy mandates: Department of Energy, Eskom, Department of Environmental Affairs, Department of Forestry, etc. South Sudan’s own government recognises these challenges and called for “development assistance [to] therefore be provided in line with government priorities as set out in SSDP” (GRSS 2011:137).

In the case of South Sudan, programming that crosses multiple ministries is even more dangerous because it creates potential conflict and turf wars between government ministries in a context where state building is the primary priority. The EU joint programme (EU 2011b:9) mitigates this threat by allocating “EU Joint Programming Support for South Sudan’s 2011-2013 Development Plan”.

4.4 Major EU Omissions

While the EU claims (EU 2011b: Para. 2) to support South Sudan’s own development plan (SSDP), a close reading of the SSDP illustrates two major omissions in the EU’s programme that

⁹¹ <http://www.oecd.org/dac/aidstatistics/purposecodessectorclassification.htm>

⁹² “Joint programming is led by the partner country wherever possible, is based on a partner country’s national development strategy and is aligned to the partner country’s strategy and programming cycles.” EU 2011:13

on the face of it could render all other development assistance futile. On the one hand, development in South Sudan is linked to demobilisation of the military⁹³. The likelihood of comprehensive demobilisation going ahead never quite seemed achievable when recognising that South Sudan is still in an active dispute with its northern neighbour and recognising that a demobilised military becomes a clear security or threat to stability in South Sudan where there are few jobs or livelihood opportunities to absorb demobilised soldiers. The EU itself recognises the high risk of conflict but dismisses it as something that is mitigated by taking an inclusive approach to service delivery:

“Stability will depend on institutions that combat marginalisation and build citizen confidence in a healthy state-society relationship. Security and stability will be strengthened through continued services delivery, stimulating economic growth institution building and sustainable use of natural resources.” (EU 2011b:8)

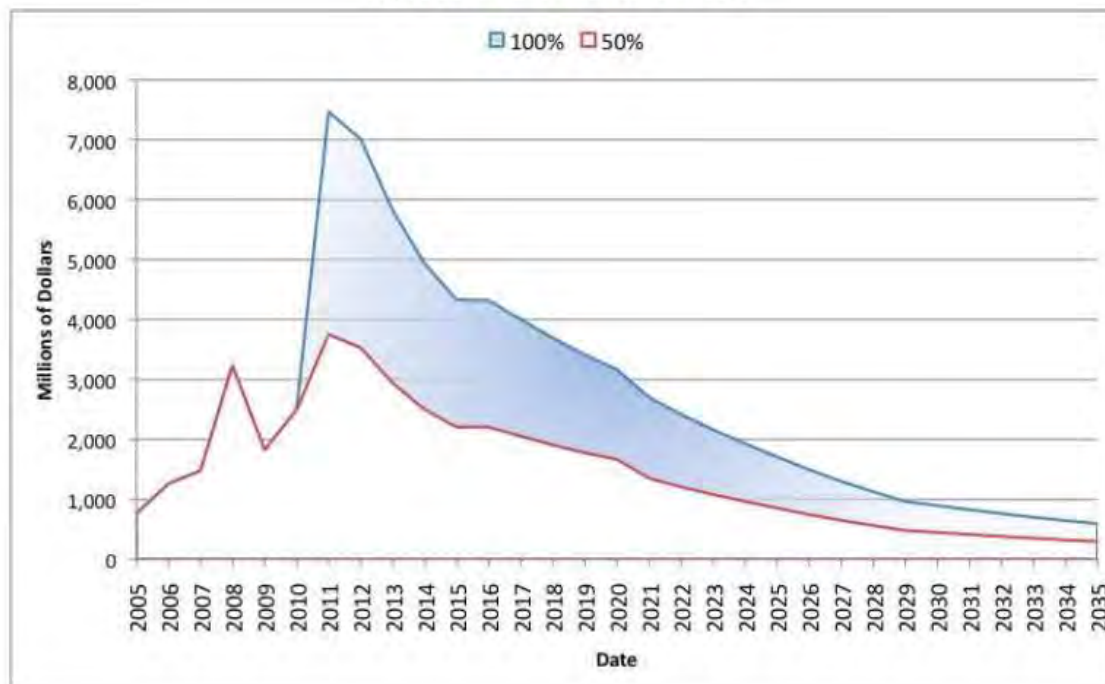
While inclusiveness is a key feature of stability it seems far-fetched to presume a newly created country emerging from “decades of civil war” reference will make meaningful progress in reducing its defensive capabilities while the “*risk of future violence remains high; over half the population is below the age of 18 with limited economic opportunities, growing wealth disparities, proliferation of light arms and unresolved conflicts. Analysts cite the need to resolve contested national and local conflicts, manage returnees and inter-tribal tensions. Competition for resources, chronic food insecurity, susceptibility to environmental shocks and the presence of the Lord’s Resistance Army create opportunities for spoilers and maintain the risk of conflict.*” (EU 2011b:8)

More problematically, South Sudan derives 98% of its revenue from oil but the Government of the Republic of South Sudan (GRSS) estimates this oil revenue will halve by 2020 and be insignificant by 2035 (see table below GRSS 2011:123). This raises a crucial and obvious question about how the government will sustain service delivery when it projects to lose 98% of its current revenue within a quarter century. Furthermore, South Sudan has been in a protracted state of conflict (see quote above EU 2011b:8) for almost fifty years: it is difficult to rationally understand what incentives government officials emerging from a protracted conflict like this have to make medium to long term development plans. Without a realistic long term plan and hope for revenue to finance the necessary expansion of services, it is difficult to

⁹³ “Specifically, there will be a comprehensive national programme to transform the uniformed security services; one which addresses demobilisation needs holistically, including Disarmament, Demobilisation and Reintegration (DDR), and provides security and dignity to all ex-combatants. The target is to have completed DDR for almost 78,000 ex-combatants by the end of this plan period. A new civilian-led National Security Architecture (NSA) will (a) transfer local security from military to a civilian police force, and (b) transform SPLA into a smaller, modern and more efficient force.” GRSS: XIX

conceive why government officials would not do as anybody would on a sinking ship: use up the resources available and make sure to be long gone when the waters reach the upper deck. The EU recognises this dynamic (EU 2011b:6) but allocates resources to other sectors without making any commitment to addressing this issue either through its own resources or through other means.

Figure 11: Total revenue 2005 to 2020



Source: South Sudan Development Plan (GRSS 2011:123)

4.5 Priority Sectors, Funding and Active Donors

The EU commits to using South Sudan’s sector definitions in allocating aid resources. This commitment is intended to make aid relevant to government decision makers and communicates that development projects will be aligned with government policy and decision making structures to encourage ownership (Paris Declaration 2003 and EU 2011b: Para. 4⁹⁴). The table below compares the EU sector definitions with that of government and shows that while a cursory glance indicates some alignment, in fact three of the five sectors are not aligned with government sector definitions, providing the EU and other donors in the sector no clear government interlocutor to work with and transfer ownership to. Where a project falls under the remit of multiple line ministries ownership is more of a challenge because ministries need to decide amongst themselves who is most responsible for engaging with the donor: with the

⁹⁴ “Joint Programming Sectors, aligned to the SSDP, contribute to institution building at the national, state and local levels while improving effectiveness through harmonisation and pooled funds.” (EU 2011b: Para. 4)

donor's promise of extra resources it is reasonable to assume that where a donor sector definition covers multiple ministries it could create competition amongst government departments in relation to donor activities.

“The natural resources sector covers activities implemented by: Ministry of Agriculture and Forestry, Ministry of Animal Resources and Fisheries, Ministry of Co-operatives and Rural Development, Ministry of Wildlife and Tourism, Ministries of Irrigation and Water Resources, Roads and Bridges (worked with through the WASH sector) and Commerce, Industry and Investment, Southern Sudan Land Commission and the Ministry of Environment.”

EU 2011b: Natural Resources Annex

At this stage it is also worth pointing out that in the earlier drafts⁹⁵ of the joint programming document the EU also included civil society/human rights/governance and urban development as sectors. Civil society/human rights/governance were pushed as a priority sector by Sweden that eventually agreed to incorporate this sector as a cross-cutting issue (EU 2011b: section 3). The primary motivation for Sweden to drop its insistence on a separate sector to cover its programming appeared largely to be because Sweden did not have sufficient staff in South Sudan to actually coordinate or implement programming in the sector⁹⁶. The sector of urban development (2010: participant observation and earlier iterations of the EU joint programming document) was initially insisted on by Italy as a priority sector. However, (2010: participant observation), Italy was unable to allocate the budget necessary for its urban development experts to visit South Sudan. Once it became apparent that there was no apparent government interlocutor and that no other donors expressed an interest in the sector, Italy agreed to remove “urban development” from the joint programme. A similar dynamic occurred with the civil aviation sector but with France having staff in Juba, the sector was kept in the joint programme as a “coordinated priority” albeit with no allocation made in the financing table (EU 2011b:18).

In the case of the sectors mentioned above, they were almost exclusively motivated by having existing humanitarian programming in the sector, headquarter policy priorities and/or the need by the donor to be seen to be ‘leading’ or particularly active in a recognisable sector. None of these sectors was motivated by donor officials in reference to an identifiable needs analysis. Whilst the sectors had merit, they were inevitably abandoned because the particular donors involved did not have staff in post to champion them. These observations on their own imply that sectors initially chosen by donors are motivated by donor's own interests rather than based

⁹⁵ 2010: author's own participant observation and review of earlier iterations of the EU joint programming document.

⁹⁶ 2010: author's interviews with with an official from Sweden's International Development Agency (SIDA)

on an objective assessment of needs on the ground. The implication is that the sector definition, its influence on how funding is structured and what activities are financed is typically and primarily determined by donor and donor staff interests unless challenged by government or other actors at country level.

The final EU sector allocations compared to government’s sector definitions and divisions was as follows.

GRSS Sector (GRSS 2011)	EU Sector (EU 2011b)	Comments
Rule of Law	Rule of Law	Same sector but no clear government interlocutor or lead.
Health	Health	Aligned sector and interlocutor (Ministry of Health)
Infrastructure	Infrastructure (Water, Sanitation, Hygiene, WASH)	Not directly aligned; WASH is a humanitarian donor sector definition. Interlocutors include multiple ministries.
Economic Functions AND Natural Resources AND Infrastructure	Natural Resources (Food Security)	Not directly aligned; Food Security is a donor sector definition. Multiple interlocutors.
Infrastructure	“Civil Aviation”	Civil aviation was kept as a priority sector because France trained air traffic controllers and supports the Juba airport.

For each of the sectors, the EU allocated a lead donor that was responsible for coordinating with other donors in the sector to elaborate a common vision for programming in the particular sector. The sector “vision” was intended to provide a common entry point for donors active in the sector to work towards sector wide priorities in a coordinated manner. This coordinated approach is widely seen as a means to reduce fragmentation and duplication amongst donors so as to improve impact on common programming priorities (Paris Declaration 2003).

My approach here was to review and compare the sector annexes in the *EU Joint Programme for South Sudan* with the *South Sudan Development Plan* to identify recurring patterns that appear in the EU’s programming document but not in the government’s. My initial analysis uncovers repeated suggestions that the EU document invokes a moral imperative or superiority that implies South Sudan government officials are less interested in the needs of their citizens than they should be or that they are corrupted or motivated purely by internal political ambitions. Another pattern that recurs is an emphasis on a new approach, method or technique that seems

to be linked to explaining how the EU will improve delivery in the sector. This latter pattern I refer to as a new technology to distinguish it from a new technique or method. A new technology can be a new technique or method but I am invoking the concept of a new technology to emphasise that a new technology is often pursued for the promise of something new or different rather than because there is demonstrable evidence that the new technology is actually an improvement. In essence I am using the terminology 'new technology' to imply a level of faith or non-rational belief in the value of the new technology. The concept is not original and in some ways speaks to Latour's (1996) analysis of how the 'love of technology' drove decision makers to continue investing in a failed scheme to improve a French Transit System. A not dissimilar theme also appears prominently in Li's (2007) *The Will to Improve*, a source I drew heavily on in the literature review and in establishing the hypothesis for this research.

4.6 The Moral Imperative; Funding Directed to 'New Technologies'

After analysing and comparing the EU's strategy paper for South Sudan with the government's own national development plan, it is possible to identify a recurring logic in the EU's strategy that is not in the government's development plan. Plainly speaking the logic implied in the EU's strategies is that EU and other like-minded donors have a moral imperative to support and/or change the government and its officials to effectively implement South Sudan's national development plan. The EU's analysis of development challenges and South Sudan's proposed plans and interventions positions government decision makers as both less committed (than donors) at a moral level to be serving and protecting citizens as well as lacking a good understanding of the need to be inclusive and protecting the vulnerable. At the whole of government level, the EU's strategy implies that government does not have a sufficient commitment or understanding of the need to protect the vulnerable, that government officials are not committed to combatting corruption and that government at the highest level is not interested in being accountable to citizens and to democratic processes. On occasion, this moral imperative translates into assertions that state building or stability is impossible without beneficiary governments becoming more inclusive, transparent and accountable, all criteria difficult to objectively measure. This, combined with the fact that these assertions of moral failure⁹⁷ by beneficiary countries almost never results in aid being cut by the EU calls attention to the possibility that the EU asserts a moral imperative for reasons *other than to* improve the quality of development cooperation. In other words, the narrative that positions beneficiary

⁹⁷ It is worth noting that under the 9th European Development Fund that provides funding to the almost one hundred countries in the Africa, Caribbean and Pacific grouping only Sudan and Zimbabwe have seen the EU suspend portions of their aid.

governments as corrupt or morally lacking appears to play no function except to contribute to the narrative in the first place.

Nothing illustrates better how these dynamics play out than in 2013 when the EU revised its joint programme for South Sudan. The EU officials in Juba were under increasing pressure from their own headquarters due to slow disbursement of funding as projected in the original strategy. The EU's solution was to redirect a large proportion of funding from the health sector towards general budget support⁹⁸ in the form of a 'State Building Contract'. A state building contract effectively allows the EU to transfer non-earmarked funds (EU 2012e) directly into the treasury thus making aid money indistinguishable from the general budget. In practice what this means is that the EU's financing pays as much for the proportional cost of social services as it does for the security services. In 2013, however, the human rights situation had eroded so badly in South Sudan that Human Rights Watch (2013) was alleging that the government was actively promoting and complicit in ethnic cleansing in Jonglei Province. Despite this and the fact that South Sudan failed almost every indicator of policy coherence or having sufficient controls to contain corruption, the EU proceeded to sign the *State Building Contract* whilst simultaneously acknowledging ethical violations. By way of administrative justification, the EU argued that South Sudan's failure to meet the requirements for budget support could not be "reasonably measured" or "complied with" in the unique "context" of South Sudan (source withheld). What this example shows is that the moral imperative invoked by the EU is not sincere, at least not in terms of the EU stated distaste for unethical government practices. After all the implicit incentives for the EU officials to disburse funding easily outweighed the explicit incentives not to use aid to co-finance (or be seen to be co-financing) corruption and genocide.

In this context, then, good development is framed as being based on a protection of fundamental rights as if state building will fail if citizens are not protected and democratic institutions established:

Stability "is strengthened when democratic institutions and the protection of human rights are incorporated in national planning as enabling factors. The EU shares civil society and humanitarian actors' concerns that on-going attention needs to be focussed on inclusion of minorities, women and particularly the youth both in democratic processes and livelihood opportunities. An inclusive approach will contribute to South Sudan's stability and security." (EU 2011b: Para. 13)

⁹⁸ Other donors such as the World Bank had already provided budget support to South Sudan to the tune of US\$100 million in 2011.

The EU's strategy pointedly repeats the need for government to protect human rights and ensure gender equality at a rights level but also in the political space:

“Protection of human rights and ensuring gender equality should be incorporated in all political processes and socio-economic development. This includes: women's political and economic rights, protection from gender based violence, promoting women's community voice and better access to education, health, clean water and sanitation.” (EU 2011b: Para.29).

At the same time, the EU emphasises its concern that the government may be corrupt and not accountable as if senior South Sudanese policy makers do not care about combatting graft and ensuring accountability. Government is called on to “strengthen accountability, public administration, decentralization, parliamentary development, political participation as well as initiatives to strengthen women's political and economic empowerment.” (2011b: Para.30)

In the EU's strategy the moral imperative is broadly speaking typified by the following five themes:

4.6.1 South Sudan will expand service delivery but if not for the EU, government would use delivery to exclude parts of the population and advantage others.

When it comes to service delivery, the EU's strategy implies (across all sectors of intervention) that government officials are not interested in or committed to service delivery and that even when there is delivery it will be, if not mitigated, to the exclusion of portions of the population. For example, the strategy states that education “should specifically reduce inequity both at enrolment, retention and completion as well as in terms of teacher recruitment and deployment”. In a rare sign of how non-reflexive donor thinking is, the EU's text is followed with a statement implying that donors set the agenda and not Government: “sector decisions are too often made without Government participation.” (2011b: Education Annex).

Government officials and legislatures are thus positioned as being self-serving and disinterested in delivery. While they may indeed be so, putting Government into such a space is an important narrative manoeuvre that allows EU officials greater authority to take decisions that could be disputed or challenged by Government. For example, if Government does not express an opinion on a proposed new project, by invoking the notion that government officials are uninterested, donor officials afford themselves the moral authority to take a decision and/or allocate funding to specific activities *without* explicit approval or involvement of Government officials. Without

the presumption that government is disinterested in the needs of its own citizens, EU officials might be pressed to ask the more pertinent questions of whether their specific programmes are relevant or not and in whose interests are decisions being implemented? Conversely, if donors believed Government was interested in the needs of its citizens but did not express an opinion about the relevance of a particular donor programme, then Government's silence likely implies that donors need to check the relevance of what they are funding rather than proceed as is. In other words, in the context where a Government cares about its citizens and does not explicitly endorse or approve a donor activity, the donor's own agency to act unilaterally is undermined.

This point was illustrated again when reviewing the EU strategy in 2013: one donor said, with nods of approval from others, that: "government understands donors as managing instruments but what [the donors] are really monitoring is government's delivery of services to the people" (NL 190613). The donor in question means that Government thinks aid and public expenditure is about managing money and contracts but the donors are different in that their officials are more serious about monitoring delivery and acting in the interest of 'the people'. The comment made was used in an attempt to deflect Government criticism that donors continue to spend the bulk of their resources on independently managed projects rather than in support of Government delivery. As recognised by donors and recipient governments in the 2005 *Paris Declaration on Aid Effectiveness*, Government delivery (e.g. in running schools and clinics) is both more sustainable and considerably more cost effective than donor systems which rely on outsourcing typically to international implementing partners such as the UN systems or international NGOs. Invoking a narrative that Government uses delivery to exclude portions of the population, allows donors to justify more expensive delivery to fewer rather than cheaper delivery to many. This speaks to a global trend: the monitoring report on the Paris Declaration (OECD 2010: 16) reports that "donors are not systematically making greater use of country systems *where these systems have been made more reliable.*"

4.6.2 Government is inherently corrupt and given the opportunity officials will reallocate or extract public resources for their own good.

“This [EU Single Country Strategy] support will help South Sudan build strong institutions with check and balances against corruption and promote transparent and accountable governance.”

EU Press Release 20 November 2012 (EU 2012b)

Unsurprisingly there is a constant and continued thread throughout the EU’s strategy that implies that Government officials are potentially corruptible or corrupt already. In the Government’s own development plan, corruption is identified as a threat but the way it is presented in the EU’s strategy is loaded in that corruption is used in a moral sense: not to stop funding but rather to assert an authority on what Government-Donor “on-going dialogue” (EU 2011b: 4) should focus on. Accordingly, there is little evidence that the EU’s repeated reference to corruption is backed up by any action: of the almost €1 billion allocated to development activities none is explicitly ear-marked for anti-corruption work. Although the EU does mention support to public financial management, there is no funding for support to the South Sudan Anti-Corruption Commission or for associated anti-corruption activities such as in supporting whistle-blowers or forensic audit functions. In fact, the only significant mention of the South Sudan Anti-Corruption Commission is as an “interlocutor” (EU 2011b: Rule of Law Annex) notably not as a recipient of EU financial or capacity building support. Furthermore, throughout the strategy the EU reiterates its commitments to “greater use of Government systems” (EU 2011b: 3) along-side expressing concerns about corruption while also repeatedly noting that “Government procurement systems and processes have not yet been sufficiently established” (EU 2011b: WASH Annex). It is also notable that in an interesting twist of fate, since agreeing the strategy in 2011, the EU has been slow to spend funds allocated partly due to the low absorption capacity of South Sudan’s Government institutions. The EU’s response, despite its continued official concern about corruption, has been to reallocate unspent funds to a ‘state building contract’ (EU 2012e) that essentially will divert €80 million directly to the South Sudan treasury in non-earmarked funding (that is budgetary support funding to be used at the discretion of the South Sudan Government).

Accordingly, the EU talks about corruption in the context of “[reducing] fiduciary risk and allow[ing] donors to support front line health services using the Government’s state conditional transfer system whilst improving financial oversight systems. Support is dependent on fiduciary risk assessments.” (EU 2011b: Health Annex) or in calling for Government to “ensure accountability and enhanced transparency regarding the flow and use of funds.” (EU 2011b: Water, Sanitation and Hygiene Annex). None of these references to corruption are surprising or

in fact mean anything more than the Government's own commitment to approve an "anti-corruption strategy" and establish the "South Sudan Anti-Corruption Commission" (GRSS 2011).

The threat of corruption is routinely used by EU and other donor officials to exert authority. A commonly used expression was for donor officials to invoke 'European taxpayers' as if the donor official concerned had a privileged relationship to these taxpayers and that their perceived concerns had primacy over the needs and interests of the beneficiaries. Saying "we need to think about the European taxpayer" was typically followed with an explanation for why funding was going to projects that were not cost-effective, seemingly of little impact or clearly operating outside the bounds or accountability relationships that apply to government projects.

Strangely the same donor officials that would invoke corruption and the 'European taxpayer' to justify their funding decisions viewed Government efforts to combat corruption sceptically. One senior official, for example dismissed Government's efforts by saying that "corruption can be seen as a tool to finalising the exclusion of an undesirable" (UK 19/06/2013). Another official said "identifying corruption is not about the tip of the iceberg because it is everywhere; it is about using a definitive mechanism to remove somebody." (DE 19/06/2013)

The concept of corruption thus appears to not be meaningfully invoked to address corruption at all⁹⁹ but rather to justify the authority of donor decisions or as a cynical means to judge or distance donors from having to support reforms the Government is undertaking. In both cases the concept of corruption appears to be used by donors primarily for their own internal institutional needs. In fact, there is no evidence that the concept of corruption was ever used to make any meaningful investments in anti-corruption programming or activities. This observation is borne out of the 2013 revision to the EU joint programme in South Sudan in which corruption again appeared prominently as a priority but with no substantive change by EU donors to how they fund or combat corruption.

Johnson, Tazell and Zaum (2012) reported complementary findings in a study measuring the evidence for operationally relevant donor decisions on anti-corruption. The study clearly shows that wide-spread donor preferences to tackle corruption through political and policy dialogue or "conditionalities" (Johnson, Tazell and Zaum 2012:36) are demonstrably ineffective even

⁹⁹ Similarly, there is considerable analysis (including Alesina and Weder 1999, Easterley and Pfitze 2008, Svensson 2000) demonstrating that donor allocations of aid are not substantially influenced by levels of corruption.

though they persist as an on-going theme in donor programming. The study demonstrates that (Johnson, Tazell and Zaum 2012:43) procurement, tax reform and public financial management are the most effective and well-evidenced donor funded anti-corruption tools. In South Sudan, the EU refers to public financial management but provides little significant funding for these activities and there is almost no significant programming on procurement and tax reform. Furthermore, the EU's 2013 decision to reallocate €85 million of programmable aid to general budget support in South Sudan represents a step towards ineffective action on corruption in that the *State Building Contract* proposed by the EU relies largely on these same 'conditionalities' for anti-corruption programming. In fact, Johnson, Tazell and Zaum (2012:31) even summon evidence that suggests that budget support can actually undermine accountability and oversight by legislature by "strengthen[ing] the executive¹⁰⁰ (at whom much of this assistance is targeted) vis-à-vis accountability institutions like parliaments".

Johnson, Tazell and Zaum's 2012 findings should not be surprising. Programming in support of public financial management, procurement and tax reform tends to be technical in nature and in dialogue with civil servants whose job descriptions require delivery in these areas. This means that when donors choose to support civil servants already tasked with combatting corruption there is already ownership and donor programming is relevant. However, conditionalities and political or policy dialogue tend to happen at a ministerial level with elected officials. While an elected official may have a stated interest in combatting corruption, it is often questionable whether allowing or combatting corruption is most in an elected official's interests, political incentives and disincentives.

4.6.3 Government officials are unconcerned by human costs of conflict, they are not sufficiently sophisticated and are not really interesting in governing.

Conflict mitigation is a human and security priority likely even more so for citizens and elected officials of South Sudan even who are directly affected by it even though it is not presented as such in the EU strategy substantively. Conflict is rather invoked in the EU strategy as a commentary on Government's commitment to resolving conflict and attempting to demonstrate that conflict has negative developmental impacts. The underlying presumption is that Government is unaware or disinterested in the human costs of conflict on its own population thus allowing EU officials a moral superiority over Government.

¹⁰⁰ This is the same executive and civil servants that the EU analysis repeatedly cites as lacking capacity (see earlier and later in this chapter).

In reference to rural development, the EU, for example, does not comment on the vast human costs of conflict but rather draws Government's attention to "increasing prices resulting from disruptions to North-South trade. Risks are further aggravated because of increasing demand from returnees and potential escalation of inter-tribal tensions and conflicts in border areas." (EU 2011b: Rural Development Annex). In this space, then, the EU asserts that internal conflict in South Sudan is because Government has not recognised the "need for a gender sensitive and inclusive approach" and that Government has not done its part to mitigate conflict as witnessed by "progress in reconstruction of the country has been insufficient during the transitional post-CPA period (2005-2011)." The EU strategy then places the burden of internal conflict firmly on the government by saying that conflict results from Government's failure to deliver "more equitable and more [secure] access to land for the rural poor; and (4) build more effective, accountable, decentralised and participatory Government institutions able to lead the development and delivery of services relevant for the sector" (EU 2011b: Natural Resources Annex).

The tone of the EU's assertions is that South Sudan is not anxiously trying to get beyond the reach of internal conflict and violence but rather as a country with a leadership that does not really grasp the barbarism of South Sudan's violence. The implication is of a less developed people not quite aware of how backward they are: "a high proportion of the population [is] not practicing good hygienic practices. Improper disposal of human wastes and poor personal hygiene is the cause for a range of diseases including acute watery diarrhoea, polio and cholera." (EU 2011b: Water, Sanitation and Hygiene Annex)

However, it is important not to conclude that the EU's descriptions of South Sudan are necessarily the result of a racism or cultural elitism. In fact, this close analysis of the EU's strategy is not able to summon compelling evidence in support of the racist or elitist argument. Instead, what is a clear and recurring theme throughout the EU's strategy is that when South Sudan is presented as a country governed by a 'backward people' it is invariably accompanied by an explanation or justification as to why the EU's fund decision making trumps that of the Government. The EU's assertion is not that South Sudan is backward; the EU's assertion is that South Sudanese officials cannot or do not want to govern and therefore the EU must step in and make decisions about appropriate allocations of funds. This assertion is deep and held in an entirely non-reflexive manner: instead of asking how the EU can make itself and its funding relevant to Government decision-making, it rather asserts that there is no Government

leadership: “[s]ector decisions are too often made without Government participation” (EU 2011b: Education Annex) reports the education sector lead. The health sector lead argues the need for “advocacy for establishment of a Government chaired overall health sector coordination structure.” (EU 2011b: Health Annex) Probably most non-reflexively, in the rule of law and security sectors where Government is routinely accused of over-politicising the use of the security services, the EU reports that in terms of “useful coordination structures; unfortunately, none have ensured sustained Government-led sector coordination.” (EU 2011b: Rule of Law Annex)

4.7 ‘New Technologies’ and Delaying Government Ownership

The analysis focused on how the EU routinely invokes a moral superiority (imperative) thus allows its officials greater agency in allocating funding differently to that called for by the Government of South Sudan. The use of moral imperative, however, only implies that the EU wants to maintain agency in deciding how funds are allocated; on its own, it does not go very far in detailing how or whether this shapes how funds are allocated. The EU’s strategy is fundamentally a policy document meaning that it does not describe activities in detail. As such, the use of the moral imperative could easily be dismissed as being inconsequential were it not for the fact that it appears to be causally connected to the EU’s proffering a new approach and/or technique in allocating its development resources. The recurring narrative structure deployed by the EU in its strategy for South Sudan appears to be as follows:

Government is morally compromised + Government does not want to govern = The EU must decide how to allocate funds in this instance BUT do so in a way that fixes Government so that in the future Government can have ownership and the EU can exit with no fears of creating dependency.

The problem is, as I show below, that this ‘new technology’ rarely means actually doing anything new or different. Instead, I propose that a close reading of the EU’s call for new technology is hollow because it is largely just ‘business as usual’ continuing what the EU or other donors have done in the past.

In the education sector, the EU strategy argues that “A [government] process for developing a sector strategy is underway albeit marked by poor coordination and delays.” The EU is thus investigating “to what extent specific studies can contribute more detailed indicators” and that these new studies will “form the basis for the design of a new sector approach for the education sector” (EU 2011b: Education Annex). Developing and redesigning sector strategies and

launching sector technical studies are common features in public sector management. These activities do not, in themselves, constitute the formulation of a new and necessary knowledge that will legitimise Government's lead, as the EU implies¹⁰¹.

For the health sector, the EU predicates the move to allocating funds based on Government plans on the "roll out of the MoH Health Management Information System" (EU 2011b: Health Annex). The Health Management Information System (MIS) is about establishing targets, indicators and benchmarks more so than just reporting and is invoked in the sector strategy as a future justification for the EU to allocate funds to a government-led approach. While the use of information technologies could be considered as a new technology, the actual approach of managing information in health sectors is an old and well established practice. Furthermore, there is an inherent contradiction in that Government information systems will always be perceived as lacking by donors so long as it does not accurately record donor project information. There is a circular logic in the EU's assertion that sound information systems will allow the EU to transfer projects to Government. Because the vast majority of health services in South Sudan are provided by donors, the quality of Government information systems is almost entirely dependent on donor willingness to adopt Government definitions, meet Government's data collection and reporting deadlines and to transfer information as needed. Effectively this means recognising the authority of Government over donor decision making."

In the agriculture sector the 'new technology' appears to be nothing more than donors recognising Government's lead. The EU has transformed Government leadership and ownership in this sector into a technical issue that requires a technique to solve it. "The EU will support an improved sector architecture" for the rural and agricultural development sector and "calls for programmes to be linked to key drivers of conflict and promoting the use of contractors over that of multilaterals." The "development of an Agriculture Master Plan" "and information systems to link humanitarian and development information needs to aid planning, improve practise and inform policy choices which will enable the Government to reduce hunger." The EU will avoid an "overestimation of GRSS capacities" and hold off on funding Government priorities until "better food security policies and regulations in place and better coordination of projects run by non-state actors". In the meantime, the EU will allocate funds to "promoting agricultural practices and technologies that are environmentally sustainable" (EU 2011b: Natural Resources Annex)

¹⁰¹ The 'sector approach' the EU is referring to is to allocate funding in support of Government's sector strategy.

In the rule of law and security sectors the EU funding will be used to “improve[e] Government’s planning, monitoring and evaluation capacity at the sector level.” The EU will support the “review and prioritisation of 134 customary and statutory laws, 15 bills transmitted to the legislature and between 86 and 194 (depending on the final number of counties established) functioning/capacitated legal affairs offices at County Level” and “organisational and strategic plans, training maps, etc. should be developed”. EU funding will “include budgetary planning and management and also drafting/completing a relevant legislative framework and implementing regulations for enabling the body to fulfil its role in the sector. It should be about a comprehensive approach of building a functioning and efficient administration.” (EU 2011b: Rule of Law Annex)

In the water, sanitation and hygiene (WASH) sector the EU emphasises that there is a “lack of technical expertise throughout the WASH sector at various levels of Government and in the private sector.” The EU will support “productive use of water, water harvesting and improving the capacity for integrated water resources management. Those activities will complement a comprehensive water strategy and, match the new policy priorities of the Netherlands bilateral program.” The priority is for the EU to “increase the efficiency of the South Sudanese sector development by focusing on sustainability of all future investments” and for “increased forecasting, planning and management and through infrastructure development such as river training techniques, river diversion works and flood control embankments.” (EU 2011b: Water, Sanitation and Hygiene Annex)

In the agriculture sector as is the case throughout the EU’s strategy for South Sudan, ownership is problematically defined as something that can be created or a capacity that can be developed. The problem is that this definition is more political than technical: where Government wants to lead there is ownership. The problem is that the EU donors are not respecting Government authority nor prepared to identify where ownership actually is situated. The agriculture sector is a good example of this donor imperative in that the sector itself does not exist in terms of Government planning. The annex to the South Sudan Development Plan (GRSS 2011: 408) approaches agriculture through other sectors and line ministries according to a completely different approach to that being insisted on by the EU:

Natural Resources	Ministry of Agriculture & Forestry
	Ministry of Animal Resources & Fisheries
	Ministry of Cooperatives & Rural Development
	Ministry of Wildlife Conservation & Tourism
	Ministry of Environment
	Southern Sudan Land Commission

A similar dynamic occurs in the WASH sector and while the rule of law sector retains some respect for Government authority it muddies the water by involving security services and the judiciary (that is independent of the Ministry of Justice). When the EU argues that South Sudan needs new technologies to coordinate and lead in these sectors what is actually happening is the manufacture of a whole new sector that falls outside of Government’s authority thus directly contradicting the stated policy of supporting Government’s in their right to manage their own national development processes. The EU invokes the need for these new technologies to indicate something is lacking; this only serves to mask the real purpose of keeping decision making out of the hands of designated Government officials.

The EU’s strategy for South Sudan refers to the deploying of new techniques and methods to improve effectiveness and give Government the capacity to lead. However, when these ‘new techniques and methods’ are closely interrogated they do not appear to be as new as presented. For example, the recurring call for effective sector coordination echoes the same calls made by humanitarian actors for decades in South Sudan. In fact, the WASH sector is not even a Government sector but rather a humanitarian cluster put forward by the UN systems to coordinate the work of organisations like the World Food Programme (that also drills boreholes and works on sanitation systems) with that of UNICEF and UNDP.

This dynamic is echoed in a recent *Time* magazine interview with Ertharin Cousin, the head of the World Food Programme. When asked about new advances Ms. Cousin refers to her excitement for “drip irrigation and RUSF¹⁰² [Ready to Use Supplementary Foods]” (*Time Magazine* 2013:92) both of which are decades old and in wide-spread use in developing countries and developed countries alike.

¹⁰² In this case, Cousin is referring to *Plumpy Nut*, a peanut based nutrition supplement invented in 1996.

4.8 Conclusions and Implications for the Research Question / Analytical Framework

This chapter has closely compared the EU's development strategy in South Sudan with the Government's national development plan. Despite the EU's stated intention of directly supporting the *South Sudan Development Plan*, the EU's strategy differs significantly. The EU uses different sector definitions to those used by the Government. These different sector definitions undermine Government ownership by crossing multiple line ministries often with competing mandates. The EU strategy also does little to respond to or mitigate South Sudan's most pressing needs or risks. South Sudan's own development strategy clearly details how the Government's own short to medium term financial projections make stability and state building highly unlikely due to South Sudan's projected and sustained decline in national revenue. The EU strategy does nothing to address or even engage with this fiscal challenge nor any of the other systemic risks identified in its own strategy. The EU identified eight systemic risks (EU 2011b:17) in its strategy that on their own represented sufficient reason to stop funding should they come to fruition. These risks included an outbreak of conflict with Sudan (the North), internal conflict or violations of human rights. Seven out of eight of these risks came to fruition between 2011 and 2013 but the EU continued funding activities as if nothing had changed even though continued funding to Government could be interpreted as direct support for gross rights violations. For example, South Sudan's alleged on-going project of ethnic cleansing in Jonglei (Human Rights Watch 2013 and 2013b) continues while the EU is finalising a general budget support programme (EU 2012e) that would indirectly make EU funds (through South Sudan's Treasury) available to the same military responsible for these violations.

The EU strategy justifies departing from the Government development plan by systematically invoking a moral superiority that positions South Sudan's government officials as backward, corrupt or simply not interested in governing. Instead of questioning whether such a perception could be the result of cultural or organisational bias, the EU strategy takes this moral superiority as an indubitable fact. The perception of corruption is so invasive that in a meeting between the EU and international NGOs in 2011 (Participant Observation Notes: 2011), the EU, international NGOs and UN agencies present went so far as to propose a formal dialogue with Government on reducing its excessive salaries. This perception was motivated by the observation that South Sudanese staff were leaving their jobs to work for Government. However, it was entirely incorrect: in fact, the highest salary paid by Government (GoSS: 2008) was in the region of \$1,000 a month while most international NGOs and UN agencies pay considerably higher. A much more compelling reason could have been that South Sudanese

wanted to work for their first government out of loyalty, idealism or a sense of national pride but there was no apparent space for this consideration.

At the programming level, this positioning of Government as morally inferior translates into funds allocated to activities outside of Government's control but almost always with reference to a supposed new approach or technique that will address the problem at hand and ensure that *future allocations* are for activities Government wants. However, when reviewed closely these new approaches or techniques do not appear to be substantially or in any way different to activities financed in the distant past. This leads to the hypothesis that the call for a new technology is not genuine; that the EU invokes the use of new technologies as a mask for the practice of diverting funds in other directions. Where these funds are diverted does not appear to be in the direct or vested interest of the EU except insofar as it is part and parcel of a narrative of moral superiority. It would thus appear that the emphasis on 'new technologies' is not genuine but only a narrative manoeuvre designed to avoid criticism that the EU is funding activities that are not wanted by Government. By invoking a 'new technology' the EU implies that once Government has developed the necessary capacity this practice of allocating funds to priorities outside of the national development plan will end.

When it comes to allocation of resources the elephant in the room is the notion that allocations are driven by self-interest and in the case of South Sudan there is evidence to suggest this but not in the way that is commonly presumed. The participating donors did not appear (Participant Observation: Notes 2011) to be allocating funds because of potential opportunities for patronage nor to benefit donor officials on a personal level. At an organisational level, there was no evidence to suggest that the choice of sectors and subsequent allocation of funding would materially benefit any related donor organisation. The only sector in which an organisational benefit could be demonstrated is in the WASH sector where Germany is the lead donor and the German owned development agency (Deutsche Gesellschaft für Internationale Zusammenarbeit/ German Corporation for International Cooperation) is the recipient of a proportion of German funding. However, even in this case interviews with the German representatives in South Sudan found that even if Germany were to strictly adopt Government sector definitions and transfer ownership GIZ would benefit in a comparable manner. The only motivation that could be identified was the need for EU representatives to be seen to lead; sectors were selected based on where EU donors were already active and had a presence. For example, civil aviation was included in the EU strategy as a sector due to the insistence of France even though it provided limited funding to civil aviation, had no civil aviation expert

posted to Juba and civil aviation does not appear as a sector in the SSDP. The primary motivation in allocating funding to South Sudan appeared to be the desire of donor officials to be able to fulfil their representational functions and to distinguish themselves and their 'value added' from other donors in South Sudan.

The South Sudan case study shows that the EU is committed at a policy level to directly supporting the beneficiary country's development plan (which was at least in part written by the EU itself) and to contextualise aid to the local context. Unlike the case studies of South Africa and USAID (above) there is a strong basis to conclude that at least some aspects of the beneficiary government are morally and technologically lacking. However, instead of this narrative leading to the design of what might appear to be better quality development projects, the narrative appears to be more focused on generating a consensus perspective than actually influencing how programming should be changed. In this regard, the EU's decision to proceed with general budget support in the face of evidence of ethnic cleansing and the analysis that shows that programming is wildly overly ambitious undermines the likelihood that this narrative serves to improve programming. As the comparator chapter (following) shows, the narrative of moral and technological superiority appears to be deployed by the EU regardless if the beneficiary government has clear moral and technological failings like South Sudan's does, implying that the narrative is donor not contextually driven.

The chapter following explores whether the findings in South Sudan are case specific. In this regard, unrelated EU country cases are analysed to measure:

- whether the EU uses the beneficiary government's sector definitions,
- the extent to which the EU strategy supports government priorities as stipulated in the respective national development plan,
- whether the use of a moral imperative recurs and, if so, if it is accompanied with a similar call for 'new technologies'.

5. Comparative Country Cases

This chapter explores whether the findings regarding the European Union's development cooperation in South Sudan are context specific or apply in other countries too. In this regard, unrelated country cases are analysed to measure:

- Whether the EU uses the beneficiary government's sector definitions,
- The extent to which the EU strategy support government priorities as stipulated in the respective national development plan,
- The use of the moral imperative and/or a call for 'new technologies'.

The South Sudan case was based on an EU *joint* programming document. Fortunately, it was feasible to review other country cases in which comparable programming documents existed. Because EU joint programming is a relatively recent practice¹⁰³ there are only a few country cases that can be used for comparative analysis. The advantage of using a joint document for comparison in this research, is that it allows extrapolation beyond just one donor whilst still keeping the focus on EU joint programming and grant making donors at the country programming level. Conversely, there are a number of other cases such as in Zambia and Kenya where joint strategy documents exist that include donors outside of the EU family. These documents, however, were ruled out as suitable comparators because they include inputs from UN agencies many of which are not donors but rather implementing partners themselves trying to raise funds from donors. Furthermore, lenders such as the World Bank also feature prominently in these cases bringing into play a different dynamic and focus in the document than when embodying exclusively the strategy of grant makers.

Another criterion that became apparent was the need to distinguish a developmental rather than humanitarian or emergency approach (such as in Haiti where the majority of programming was intended to happen outside of government systems and would not be repeated because it involved largely responding to an earthquake and not to implementing a medium term development plan). While the South Sudan case emerged out of humanitarian programming, the focus is entirely developmental. In this regard, the other country cases were selected to the extent they were developmental in nature but with the influencing presence of humanitarian

¹⁰³ Country programming and strategy documents have been drafted by the EU for decades. However joint programming documents that include inputs from the European Commission and EU Members States have only been in existence since 2011 and only in a limited number of countries.

programming as well. Bolivia, for example, was excluded because humanitarian programming largely did not feature at all in donor country strategies and plans.

In this regard, the South Sudan case has a number of features that need to apply in other cases in order for them to be viable comparators. These included a:

- Functioning national aid architecture and history of coordination so as to avoid comparing to a case where the joint strategy might be 'administrative' at best (for example, in Myanmar where a national aid architecture has only started being formalised in late 2012),
- Strategy to support an existing and viable medium term national development plan (Mozambique, was excluded, for example because the EU and EU Member State strategies seemed to be only loosely connected to Mozambique's *Plano de Acção para a Redução da Pobreza*; similarly, Egypt proved to be unviable in comparing EU plans to the national *Five Year Plans*),
- Large number of participating donors (Mali and Niger, for example, were excluded because aside from France and the European Commission there is limited other donor involvement),
- Developmental context not obscured by trade or private sector investment interests (Viet Nam, for example, was excluded because much of the donor strategies were obscured by a focus on identifying and promoting investment and trade partnerships).

When applying these criteria and after considering access to documentary evidence, the number of potential comparison cases was substantially reduced. Ethiopia was selected because it was the most viable alternative case in sub-Saharan Africa having an EU joint programming process, and a strong presence of humanitarian actors even though the primary focus of donors is on developmental programming. Bangladesh was selected from Asia having the added advantage that it is in its sixth iteration of a five-year national development plan. Palestine proved a viable option also being from a totally different region with a different enough context but with the right mix of a developmental approach, functioning aid architecture and existing practices of EU joint programming. In South America unfortunately, most of the country cases did not prove feasible because aid seemed to be crowded out by EU private sector interests. Eastern Europe and the former Soviet bloc countries were also considered. However, Eastern Europe was ruled out because development cooperation largely gave way to EU accession or neighbourhood policies which are modelled on accession and trade agreement plans (*acquis*) rather than national development plans. In the former Soviet bloc, as was the case in West Africa, there were largely too few donors present to make for comparable experiences with South Sudan. In the rare cases where large donor communities existed such as in Moldova, Georgia and the

Ukraine, there was insufficient use of joint programming to make for easily comparable examples.

Accordingly, the most feasible country cases for comparison with South Sudan were Bangladesh, Ethiopia and Palestine. The chapter below first analyses alignment of sector definitions between the EU joint programmes or strategies with the beneficiary government national development plan for each of the country cases. An analysis of the sector definitions and possible explanation for alignment and/or discrepancies then follows. This section is then followed with an analysis of the use of the ‘moral imperative’ and ‘new technologies’ with comments on other findings. The chapter also includes an analysis of trending priorities in the global narrative on what constitutes effective development cooperation (see 5.3) in an attempt to identify whether the current effectiveness debate implies a likely change to the way aid is programmed by way of donor rather than beneficiary sector definitions, concepts and approaches. This chapter ends with conclusions.

5.1 Sector Definitions; Alignment with Beneficiary Government National Development Plans

5.1.1 Ethiopia Case-Study

The table below shows that the EU Joint Cooperation Strategy (EU: 2012d) has twenty-one sectors of intervention. Nine of these sectors are clearly aligned (italicised) with the Government’s *Growth and Transformation Plan* (Ethiopia Government 2010). Four sectors are partially aligned and eight are not aligned. However, of the eight EU sectors that are not aligned, one is support to a specific Government function (monitoring and evaluation systems) and three are actually a means of disbursing funding (two are budget support type mechanisms and one sector is for humanitarian responses). Excluding the four exceptions listed above, ***just over half of the EU sectors are aligned*** with the Government’s sector definitions: nine of the remaining seventeen sectors are aligned and eight are not aligned or only partially aligned to Government sector definitions.

EU Joint Cooperation Strategy for Ethiopia (EU 2012d)	Ethiopia Growth and Transformation Plan (Ethiopia Government 2010)
<i>Capacity building: Economic Governance, Public Financial Management, Procurement and Anti-corruption.</i>	<i>Aligned: Public Sector Capacity Building</i>
Democratic governance, human rights, civil society, interreligious dialogue, conflict prevention	Democracy and Good Governance
Regional Integration, Peace and Security, economic regional integration	No Corresponding Sector
Private sector, Industrialisation and Trade	Industry (Sub-Sector Micro and Small-Scale Enterprises Development)
<i>Infrastructures: energy (renewable energies)</i>	<i>Aligned: Energy</i>
<i>Infrastructures: transport (rural roads)</i>	<i>Aligned: Roads</i>
<i>Infrastructures: ICT</i>	<i>Aligned: Communication Information Technology</i>
<i>Culture and tourism</i>	<i>Aligned: Culture and Tourism</i>
<i>Health and population</i>	<i>Aligned: Health</i>
<i>Education (primary, secondary, tertiary & TVET)</i>	<i>Aligned: Education and Training</i>
Water, Sanitation and Hygiene	Potable Water Supply and Irrigation
Protection of Basic Services (Multi-donor budget support type mechanism)	No Corresponding Sector
<i>Agriculture growth including livestock and agro-pastoralists</i>	<i>Agriculture</i>
Sustainable land management, biodiversity and forestry	No Corresponding Sector
Productive Safety Net Programme/Disaster Risk Management & Social Protection Policy ((Multi-donor budget support type mechanism)	No Corresponding Sector
Humanitarian aid / building resilience	Not Developmental Sector
Gender	Women, Children and Youth Affairs
Environment and Climate change	Aligned: Environment and Climate Change
Climate smart actions	No Corresponding Sector
Balanced urban development	No Corresponding Sector
8- M&E / quality of data	Not a Sector but Priority in GTP

5.1.2 Bangladesh Case Study

Bangladesh was selected as an optimal case in Asia because of the size of the donor and EU donor presence and because it has well elaborated national development plans. Bangladesh is also interesting because it blends both aid and humanitarian operations and has a strong commitment to aid effectiveness principles. The Bangladesh case, however, was complicated by the fact that the EU Joint Programming was not completed by 2013 (when this research took place). However, it was still selected as a case because Bangladesh has a broader *Joint Cooperation Strategy* that is endorsed by the EU donors as well as those outside the EU family (e.g. the World Bank, UN systems, US, etc.). Additionally, data collected through interviews and analysis of existing EU and EU Member Strategies was used to capture the sectors definitions

the EU was proposing in 2013 to use in its joint programme (which will likely only be formulated in 2015).

An additional complication is that the *Bangladesh Joint Cooperation Strategy* was published in 2010 but the *Bangladesh Sixth Five Year Development Plan* was only published in 2011. This forced the question whether to conduct the analysis based on Bangladesh’s Fifth or Sixth Five Year Development Plan. After discussions with officials in Dhaka, however, it appeared that the *Bangladesh Joint Cooperation Strategy* was designed based on the *Bangladesh Sixth Five Year Development Plan*. However, because of the delay getting approval from cabinet for the *Sixth Five Year Development Plan* it was only formally published in the subsequent year. The *Sixth Five Year Development Plan* even includes a section introducing the *Bangladesh Joint Cooperation Strategy* and explaining that donor support of the strategy means donor funding will be “[focussed and aligned] to the [Government of Bangladesh] priorities and systems” (Bangladesh Government 2011: 240).

Bangladesh Joint Cooperation Strategy 2010-2015 (Bangladesh Government 2010)/ EU Proposed Sectors (2013 - Interviews)	Bangladesh Sixth Five Year Development Plan 2011-2015 (Bangladesh Government 2011)
Democratic Governance and Human Rights	No Sector
Food Security and Nutrition	Agriculture
Education and Skills	Education, Training and Research
Health	Health, Nutrition, Population and Food Safety
<i>Environmental Mitigation</i>	<i>Aligned: Environment and Climate Change</i>
Water and Sanitation	Water Management
<i>Private Sector Development</i>	<i>Aligned: Private Sector, SME Development</i>
Energy	Sector Infrastructure and Communication
Gender	No Sector
Disaster Risk Reduction	No Sector

5.1.3 Palestine

Palestine was selected as a good case for the middle-east because of the size of the donor and EU donor presence and because it has well elaborated national development plans. Like with Bangladesh and Ethiopia, Palestine blends both aid and humanitarian operations and has a strong commitment to aid effectiveness principles. Whilst the EU had not formally agreed an EU joint programme for Palestine by 2013 (when this research took place), the EU and EU Member States have agreed an equivalent joint strategy called the *EU Local Strategy for Development Cooperation 2011*.

EU Local Strategy Sector (Lead) (EU 2011c)	National Development Plan 2011-2013 Sector (Palestine Government 2011)

<i>Direct Financial Support</i>	<i>Aligned: No Sector – But whole of Government</i>
<i>Justice</i>	<i>Aligned: Justice</i>
<i>Security</i>	<i>Aligned: Security</i>
Municipal Development and Local Government	Local Governance and Administration
<i>Public Financial Management</i>	<i>Aligned: Public Financial Management</i>
Education	Basic and Higher Education
<i>Health</i>	<i>Aligned: Health</i>
Social Protection	Social Protection and Empowerment
Private Sector Development	No Sector
<i>Agriculture</i>	<i>Aligned: Agriculture</i>
Electricity	Energy
<i>Environment</i>	<i>Aligned: Environment</i>
Water	Water and Waste Management
Jerusalem	No Sector
Refugees	No Sector
Area C	No Sector

5.2 Analysis

On average just over half of EU sector priorities are aligned with the partner country's sector definitions in the four selected country cases (including South Sudan, previous chapter). In South Sudan three out of six sectors were aligned and in Ethiopia that proportion increases marginally to nine out of seventeen. This ratio holds in Palestine too. At first glance only seven out of sixteen sectors are aligned in Palestine but the EU includes Jerusalem, Refugees and Area C as sectors which are peculiarities related to the unresolved dispute between Israel and the Palestinian Authority. Jerusalem and Area C¹⁰⁴ are not sectors but rather geographical locations and refer to the different powers the Palestinian Authority has in these restricted areas. In Jerusalem and Area C, the Palestinian Authority largely has no decision making authority (OCHA 2011) to speak beyond the provision of health and education services and in many cases these are only at a distance (e.g. school children are often bussed out of Area C for education purposes). 'Refugees' is another unusual sector that features in EU development cooperation in Palestine due to the nature of the conflict/occupation. Once these three context specific sectors are excluded the ratio in Palestine increase to seven out of fourteen sectors.

The outlier in the analysis is Bangladesh where only two out of the EU's ten sectors were aligned with Government's. At first glance the difference in the sector definitions in the Bangladesh case might look semantic but when investigated more closely (see Bangladesh Government 2011 and Bangladesh Government 2010) it became apparent the differences are substantive and important for this analysis. The EU's emphasis on *food security and nutrition* is a

¹⁰⁴ Area C is the portion of the West Bank where the Palestinian Authority is denied control by the Israeli government.

focus on farming for domestic consumption (food) whereas the Government's focus is on *agriculture* as a productive (economic) sector. Herein lie fundamentally different political priorities (recognisably simplified for this exercise) in that the EU is saying the government must focus agricultural policy on nutrition of households first whilst the government is saying that agricultural policy must prioritise access to agricultural markets above all else. Similarly, the EU's *Education and Skills* sector is focused on lobbying for greater attention to vocational and technical training (adult education) while Bangladesh's *Education, Training and Research* is primarily about expanding formal and traditional education systems. Relating back to the food security sector as mentioned above, the EU's *health* sector focus is in supporting primary health systems and leaving nutrition to food security sector. On the other hand, the Bangladesh government addresses food security in the *Health, Nutrition, Population and Food Safety* sector. This is a substantive difference and relates to differing approaches to addressing the high level of stunting in Bangladesh. The EU sees stunting as a food production problem and thus directs its funding to agriculture and related government bodies while Government sees stunting as a nutrition problem within the mandate of the Ministry of Health. The political implications of these differing approaches must not be underestimated: essentially what the EU is saying is that Bangladesh puts revenue and exports before nutrition. The Government on the other hand is effectively holding a line which says that nutrition is a health issue and that agriculture related economic growth must be protected. The Ministry of Food and Disaster Management (UNICEF 2104) then compensates by distributing rice and agricultural inputs on a mass scale which only partially addresses the nutrition challenges. The remaining sector differences are analysed in the context of the other country cases (below).

After analysing the four cases a pattern emerges by which EU sectors are aligned with partner government sector definitions. In sectors where the EU both provides comparatively large sizes of funding and where implementation requires the active input and participation of government, the EU tends to be aligned to government sector definitions. In roads (or infrastructure), education and health government sector definitions are used. On the face of it this could be explained by the fact that when committing comparatively large resources to a sector, it is more apparent the cost and effectiveness advantages of working with or through government. For example, when building a single school, the EU might be willing to finance an international NGO like Save the Children to provide expatriate teachers. However, when the size of the funds means establishing hundreds of schools the comparatively higher cost of paying for teachers through an international NGO becomes less palatable as do the questions about other running and maintenance costs. Furthermore, the administrative costs and logistical

requirements in managing a grant contract with an international NGO for a single school are more manageable than in establishing hundreds of schools. When interviewed, for example, EU procurement officials repeatedly complained that it takes almost as much time to manage a small contract as a large one. Accordingly, the actual administrative workload decreases proportionately with larger contracts thus creating an inherent incentive towards using larger grant contracts than smaller ones. This incentive is only increased by the perception (in all country case studies) that staff numbers are being decreased thus increasing workload on those staff that remain at country level. Finally, this trend towards larger contracts is also associated with the oft cited “disbursement pressures”, by which EU staff mean that, as one interviewee put it confidentially, “quality is only a consideration if you meet your disbursement targets.” (Donor Official 10 Interview 2014)

The advantages of working with or through government only become more acute in health or roads because the donors’ contribution largely depends on coordination and complementarity to the partner government’s own systems. For example, with a road to be a feasible investment, it requires a decade long maintenance plan; building a hospital is not effective without the oversight, licensing and systems that national health services put in place. Failure to secure such ownership is a sure recipe for disaster as the Institute for Security Studies (ISS) noted (Hendriks and Lucy 2013b) about South Africa¹⁰⁵ and UNDP’s failure to ensure that a HIV/AIDS clinic they built in Rwanda was staffed and resourced.

Sectors that tend to be non-aligned, then, by contrast appear to be those in which donors want to maintain control of implementation or at least the narrative. A clear and problematic example here is the HIV/AIDS sector (see chapter on USAID support for HIV/AIDS in Namibia) in which donor driven sector definitions and accordant narratives are a serious impediment to government ownership and integrated service delivery. As illustrated in the chapter on HIV/AIDS in Namibia the donor’s insistence on asserting the definition of HIV/AIDS as a standalone sector and pandemic puts it at odds with a government approach that sees HIV/AIDS as only one amongst a host of national health concerns. In the case of HIV/AIDS, the case study shows that these competing sector definitions have created space for a narrative that questions the beneficiary government’s moral commitment to its citizens whilst also casting the donor as having a monopoly in how to work effectively in the sector. Similarly, when looking at the other non-aligned sectors there is evidence of a greater emphasis by the EU on this moral imperative and technological superiority. No sector emphasises this disconnect more than that

¹⁰⁵ See South Africa as a donor case study and chapter

of governance and human rights as well as in gender in which the EU attempts to put forward that it has a purely technical solution (e.g. public financial management, election monitoring, gender based budgeting) to the beneficiary country's challenges whilst simultaneously calling into question the moral standing of the country's leadership.

The other two sectors that commonly stand out for the EU refusing to use beneficiary government sector definitions are in food security and WASH (Water, Sanitation and Hygiene). The rationale for the food security sector, whether intentionally or not similarly recasts beneficiary government successes in reducing hunger as a failure to address nutritional needs of the poor. The not so subtle narrative (literally called *Undernutrition in Bangladesh: A Common Narrative*, UNICEF 2014) plainly casts beneficiary government's as choosing agricultural rent seeking and wealth creation opportunities over the needs of poor families.

The outlier here is the case of the WASH sector. When analysing the different country strategies, it is exceptionally rare to find a comparable narrative of moral superiority. In fact, the narrative put forward by the EU in the WASH sector tends to be more similar to that put forward in aligned sectors such as infrastructure and education whereby the government is cast as earnestly wanting to make progress but unable to do so because of financial and capacity constraints. Drawing from the South Sudan case study, this is plausibly explained by the fact that WASH is actually an outlier sector in development cooperation. WASH, in fact, is not commonly adopted as a sector in developing countries but rather draws its origins from emergency and/or humanitarian responses. In emergency responses, the UN through the Office for Coordination of Humanitarian Affairs (OCHA¹⁰⁶) establishes 'humanitarian clusters' to coordinate a response in a context where the beneficiary government is unable or unwilling to do so. In a humanitarian context, the WASH sector is coordinated by the UN's children fund (UNICEF) and the World Food Programme and is designed as such to integrate the hygiene and health practices promoted by UNICEF with the physical works (e.g. drilling boreholes and pit latrines) by the World Food Programme.

A question that arises, however, is whether this finding is likely to be quickly dated. After all, it is possible that donors are simply in a transition phase and that in the future progressively greater use of beneficiary government sector definitions will become the norm. In this regard, this doctoral research proved well timed because 2015 is also the year that the international community replaced the *Millennium Development Goals* with the *Sustainable Development Goals*.

¹⁰⁶ See www.ocha.org

This thus provided a good opportunity to review whether the debate in the global architecture provides evidence that this trend is likely to be reversed in the medium term future.

5.3 Emerging Development Effectiveness Trends and their Potential Implications on the Findings About Donor Alignment with Beneficiary Country Plans

The international architecture and how it is structured in relation to developing countries and development cooperation involves a myriad of different national and international interests all shaped by a constantly changing global economic and political environment. This section looks at priorities currently trending in the OECD development effectiveness space to identify the extent to which these new priorities relate to the findings that donors do not, as promised, allow beneficiary countries to define the sectors and form of development cooperation.

The traditional donor driven global consensus on how best to extract value from development cooperation is steadily becoming formalised and institutionalised. This formalisation is occurring in the OECD and donor literature on both aid and development effectiveness. Following the 2011 Busan conference on development effectiveness, a *Global Partnership for Effective Development Cooperation* (GPEDC) was established to work on establishing norms for Northern and Southern actors alike (i.e. including beneficiary countries as well as emerging donors). This global partnership is comparatively well resourced with full time staff, funding and access to research and analytic resources most often provided by and on DAC donors. Traditional donors appear to have concluded that it is more strategic to create opportunities to partner with emerging powers such as South Africa and China when mutual interests allow. The 2011 Busan conference represented the formalisation of this conclusion with the stated imperative of broadening the aid and development effectiveness debate to reach out to emerging donors.

This investment in creating a norm for what constitutes development effectiveness operates on two levels that inevitably strengthen the authority of traditional donors. The first is that improving the relevance and impact of development cooperation through developing new and sophisticated tools tends to work in the favour of those donors that have the human resource and organisational capacities to master them. On a second level DAC donors persist with the implication that the volume of funding provided is also a determinant of credibility as a donor thus reinforcing the notion that traditional donors are more important than non-traditional (that tend to have fewer resources). The OECD DAC donors continue to call for developed

countries to allocate 0.7%¹⁰⁷ of Gross National Income (GNI) to development cooperation (UN 2002). Most DAC donors do not meet the 0.7% target and only giving 0.3%¹⁰⁸ of GNI in 2013 (OECD 2013). In relation to a non-traditional donor like South Africa, if it was to meet the 0.3% level, it would have to increase its current spending of R500 million a year more than twenty-fold. Although not meeting the typical definition of aid, it is worth noting that South Africa currently subsidises Botswana, Namibia, Lesotho and Swaziland through its *Southern African Customs Union* to the tune of around R30 billion a year (Fabricius 2015).

In 2011, at the fourth *High Level Forum* in Busan, the principles of aid effectiveness graduated to a broader concept of 'development effectiveness'. This meant expanding the principle of ownership from country ownership to that of national ownership; meaning ownership by partner governments as well as non-state actors such as civil society and the private sector. More attention is now being paid to how aid only complements other sorts of development financing. The OECD's 2014 *Development Cooperation Report*¹⁰⁹ points out that what it defined as fair or Official Development Assistance (ODA) is only one part of the equation: "at nearly US\$ 135 billion in 2012, ODA represented only 28% of all official and private flows from the 29 member countries of the OECD's Development Assistance Committee (DAC). Overall in 2012, developing countries received US\$ 474 billion from DAC countries" when combining public sector lending at close to market rates, philanthropy, charity and foreign direct investment (FDI). Furthermore, ODA increasingly accompanies significant grants, loans and investments from developing countries and 'emerging donors' such as China, Brazil and India. Recognising this as an evolving and increasingly complex environment, a more inclusive and results orientated 'Global Partnership for Effective Development Cooperation' (GPEDC) was established.

The *Global Partnership for Effective Development Cooperation* (GPEDC) is fast becoming an uncontested norm setting institution. In preparation for the 2014 High Level Meeting in Mexico City, GPEDC circulated the most recent and definitive report on achieving development effectiveness. The 2014 GPEDC focuses its critique on the failures of traditional donors in enabling partner-government ownership (including due to poor records of aligning to partner country sector definitions, plans and strategies) noting that "...longstanding efforts to change

¹⁰⁷ Paragraph 42 of the 2002 Monterrey Consensus, states "we urge developed countries that have not done so to make concrete efforts towards the target of 0.7 percent of gross national product (GNP) as ODA to developing countries." Also supported in the 2005 European Consensus on Development.

¹⁰⁸ <http://oecd.org/dac/stats/idsonline.htm>

¹⁰⁹ OECD Development Co-operation Report 2014: Mobilising Resources for Sustainable Development

the way development cooperation is delivered are paying off, but much more needs to be done to transform cooperation practices and ensure country ownership of all development efforts, as well as transparency and accountability among development partners.” (GPEDC 2014b)¹¹⁰ The EU (that comprises the majority of the OECD DAC members and funds more than 50% of global Official Development Assistance in 2013) also prepared a collaborative report (EU 2014c) citing similar failures and the need for “continued investments in the implementation of Busan Commitments and [to] address the remaining bottlenecks.” EU (2014c: 4).

In this regard, the following emerging themes and priorities in the post 2015 environment are discussed to the extent they have implications in the medium term future on the findings of this research:

Transparency and Results

The April 2014 Mexico High Level Meeting Communique¹¹¹ raises the stakes around demonstrating donor transparency and ensuring means of accountability. This is being translated into making donor information publically available, as well as creating space for development partners and partner governments to monitor one another and ensure the other is implementing their commitments. The 2014 aid transparency index¹¹², however, reports that the EU may have bitten off more than it can chew: it is largely off track as a group. The EU is unlikely to meet its 2015 goals to “share openly aid information that is timely, comprehensive, comparable and accessible.” (IATI 2014) That being said this is largely because of increasing divergences between a growing group of EU “transparency champions” and those that have struggled to make no “discernible progress to date” (IATI 2014).

On the one hand, transparency is being translated into donor spending on improving their image and reputations both in comparison to beneficiary country governments, whose budgeting processes can appear opaque and in comparison to emerging donors. In terms of alignment, though, the investments in transparency measures such as that managed by IATI (2014) are primarily focussed on data using donor’s own measures of transparency and using donor rather than beneficiary government sector definitions. There is little indication that this greater focus on transparency in the post-2015 environment will deliver better information on

¹¹⁰ See <http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/MakingDevCoopMoreEffective2014PROGRESSREPORT.pdf> (p.6).

¹¹¹http://effectivecooperation.org/wordpress/wp-content/uploads/2014/07/ENG_Final-ConsensusMexicoHLMCommunique.pdf

¹¹² http://ati.publishwhatyoufund.org/wp-content/uploads/2014/09/EU-Report-2014-_Final.pdf

aid to beneficiary governments thus not making it any easier for beneficiary government officials to identify how donor funded projects align to the specific sector definitions and division of labour at country level.

At the same time, donors are also increasingly asserting a narrative that donors know best on what constitutes effective and desired developmental results. Ban Ki Moon's December 2014 *Road to Dignity* accompanies the EU's and GPEDC's repeated calls to improve programming for results. Much of the thinking and analysis on the issue of results is captured in the November 2014 OECD report *Measuring and Managing Results in Development Co-operation*. It places as the core of the problem "a lack of institutional demand for results information for decision making and learning" (OECD 2014a) in donor's own organizations. The result is that there is increasing pressure and investment amongst donor organizations to change their organizational cultures to focus more on results in decision-making. This is also exported into development cooperation at partner country levels as a push for 'evidence based policy making'. At the same time, the results agenda is intertwined with the political imperative to better report to donor's domestic audiences on how aid is being spent. This has led to some donors arguing that development financing should be measured against universal indicators (using a 'common results-based approach') applied in all contexts. Again this implies only greater donor investment in the authority of their definitions of sectors, results and policy priorities over that of beneficiary governments.

Joint Programming: Banding Together to Communicate Common Messages

Joint Programming is set to become a more common practice globally. Joint programming is 'officially' synchronised and aligned with the beneficiary country's own development planning process with plans being presented as a commitment to increase the ability to influence beneficiary country policy making. It is now the norm for joint programming to be called for by the EU and most EU Member States and it is expressly incorporated in EU, and some MS, programming instructions. The Council of the European Commission Conclusions of November 2011¹¹³ make joint programming a priority at the highest level. The 2014-2020 programming period is identified as the target for its widespread implementation. This means that the EU and like-minded donors will have developed a common front in beneficiary countries, pooling their resources in support of shared priorities to deliver preferential access to policy dialogue. Joint programming is also attracting the attention of 'like-minded' donors with Switzerland and/or

¹¹³Council Conclusions of 14 November 2011 on the EU Common Position for the 4th High Level Forum on Aid Effectiveness, Doc. 16773/11.

Norway frequently participating in the EU joint programming initiatives. Joint programming is now becoming a global practice: as of December 2014, the EU reported¹¹⁴ that nineteen countries have joint programming in place, twenty will finalise their joint programming processes by 2016 and sixteen more partner countries are in the analysis phase. This means that joint programming processes are either concluded or on-going in a total of fifty-five partner countries.

The problem is that despite the stated commitments, in practice joint programming appears to create parallel donor controlled and donor defined programming sectors as found in this research. Concord (2015: 10), the European NGO advocacy group, also finds in its report on the state of EU development financing, that EU and EU joint programming institutionalise power imbalances by which “the EU’s aid [asserts] a reform agenda reflecting the EU’s strategic interests” rather than prioritising the beneficiary country’s objectives. Further, the June 2014¹¹⁵ joint EU-African Caribbean and Pacific (ACP) declaration on development in the post 2015 context puts renewed emphasis on the need to differentiate development programming “around a single set of goals and targets.” (EU 2014d) What this means in practice is that there is little indication that EU donors are any more willing to relinquish their authority to beneficiary governments to define what aid should focus on and how it is to be managed. At the same time, the move to ‘differentiation’ is already translating into more sophisticated programming raising the bar for entry for emerging donors and making it more difficult for beneficiary governments to assert their authority and thus set agendas. For example, rural development which typically involved supporting agriculture extension services is transforming into building resilience - that means everything from complex risk mapping and modelling to supporting local community crisis management and security systems. Similarly, food security which, more often than not, meant providing food aid and drilling boreholes is evolving into nutrition that blends both the need to provide reliable sources of food with health management systems. These evolutions mean that to be relevant, donors will increasingly need to demonstrate competence in integrated approaches and have access to specialized skills and expertise from agricultural development through health, hygiene, local governance, peace and security. In other words, the international consensus on what constitutes effective development is being ‘gamed’ to the advantage of traditional donors that have the experience and skills base to deliver. Similarly, Concord’s findings validate this research in Reporting that “EU aid is still seen by many as a tool

¹¹⁴ EEAS presentation to technical seminar on EU joint programming in Stockholm, Sweden, November 2014.

¹¹⁵ http://europa.eu/rapid/press-release_STATEMENT-14-202_en.htm

to drive policy change or liberalization in partner countries – much aid remains directly tied or comes with a ‘suggested’ policy agenda” (CONCORD 2015: Executive Summary).

Climate Change

Mitigating and adapting to climate change is fast becoming a defining feature of development cooperation. It signifies a dramatic shift from using development funding to deliver basic rights and services for the poor, towards using development funding for global priorities that are as needed by rich nations as by poor. The OECD reports that since 2007 bilateral funding for climate change has grown fourfold with Japan providing US\$7 billion, Germany US\$4 billion, the EU US\$2.8 billion and France US\$2 billion in 2013 alone (OECD 2014d). In 2013, the UK, Netherlands, Sweden and Denmark all disbursed over US\$400 million each and the European Investment Bank provided another US\$2 billion for climate change programming. In 2013 climate change programming reached US\$37 billion or about a quarter of all official development assistance. The majority goes to mitigation with 40% of this spending going to Asia and 30% on Africa, largely focused on South Africa, Kenya and Cote d’Ivoire.

At a policy level, the increasing use of development cooperation for climate change mitigation is only expected to grow. The EU’s 2012 *Agenda for Change* and 2014 Joint ACP-EU declaration on *A Decent Life for All*, for example, integrate environment as a third pillar with social and economic programming as the primary components of development cooperation. In practice, this attention on mitigation, tends to mean using development cooperation to subsidise (often Western owned) private sector corporations moving over from carbon based energy to renewable energy sources. In terms of the findings of this research, the almost unquestioned consensus that is evidenced in donors defining what constitutes climate change and how its response is funded, implies further pressure on beneficiary countries to adopt donor sector definitions and policy approaches rather than vice versa.

Fundamental Human and Democratic Rights and Civil Society

The 2012 Agenda for Change, 2014 joint ACP and EU declaration on A Better Life for All, as well as Ban Ki Moon’s December 2014 *Road to Dignity* report, affirm the narrative on human rights and democratic principles as the cornerstone to sustainable development. Aside from the possibly genuine or “noble” (Concord 2015: 10) commitment to human rights and democracy, this is also a means to differentiate and broaden support for developed donors over countries such as China, Turkey, Russia and even the Gulf States that have associations with non-

democratic practices. The April 2014 Mexico High Level Meeting Communiqué¹¹⁶ went further to call for development cooperation to strengthen “the critical role of parliaments [in] overseeing development cooperation processes and action plans.” (GPEDC 2014) And the April 2014 GPEDC report on *Progress Since Busan*¹¹⁷ called attention to the focus on *democratic ownership* as a central pillar of sustainable development. Development effectiveness as a whole has firmly enshrined these principles in what it asserts is good cooperation, the 2011 Busan Partnership Agreement calls for greater space for participation of civil society in national development processes. This now lays the foundation for donors to significantly diversify development cooperation away from an almost exclusive focus on influencing government to now being able to use development cooperation to secure influence with national parliaments and civil society organisations as well. At the same time, it also implies that invoking a moral imperative will remain foundational to the narrative justifying donor interventions globally.

Trends Summary

Traditional donors are investing considerable financial resources in manufacturing a narrative for why they should be seen as credible developmental partners rather than as self-interested actors. These donors are also shoring up their credibility and authority by placing their decision making processes under public scrutiny through such international mechanisms like the *Global Partnership on Effective Development Cooperation* and the Organisation for Economic Cooperation and Development. Put together with the shared global objective of combatting poverty, traditional donors have effectively created a justification for why they should be allowed to participate in and influence beneficiary country policy making processes. However, these initiatives are not focused on encouraging beneficiary countries greater ownership over defining what development cooperation will finance or how it will be described. The above-detailed trends lead to the perception that in the medium term future traditional donors are investing more in creating new sector definitions, programming and policy dialogue fronts more so than their stated objective of aligning to and supporting beneficiary country developmental priorities. As such it seems likely that country programmable aid will continue to be focused on changing beneficiary government policy rather than supporting implementation of it.

At the same time, through the OECD peer review mechanisms and in investing in developing their own human, technical and organisational resources, these traditional donors are also

¹¹⁶http://effectivecooperation.org/wordpress/wp-content/uploads/2014/07/ENG_Final-ConsensusMexicoHLMCommunique.pdf

¹¹⁷ <http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Final-draft-ownership-paper-clean-10th-April1.pdf>

developing their comparative advantage over other donors. This comparative advantage is already advanced and allows traditional donors an almost unassailable advantage in such now commonplace themes in development cooperation such as public financial management, epidemiology, statistics, monitoring and evaluation. Trending priorities now show that traditional donors are likely to increase their investments in maintaining and expanding their competitive advantage through deepening and sharpening their technical skills in the areas listed above amongst others. This comparative advantage is vital to an advantaged position because, whilst the narrative in section two justifies why donors should get involved in beneficiary countries, the technical skills they can deploy justify why this involvement should be in terms of deploying their own government officials to the ground and to participate in policy making rather than just transferring financial resources.

5.4 Conclusion

Whilst the EU is committed to supporting beneficiary governments at a policy level, operationally the EU does not buy into or support beneficiary governments in more than half of its sectors of engagement. In the case of governance and human rights related programming (including gender) the EU appears to retain the authority to define the sector and demonstrates little willingness to focus on advocating for the beneficiary government to change its policy approach to that of the EU's. This is apparent when comparing to HIV/AIDS or nutrition programming in which the EU bands together with other donors to develop common policies or strategies and openly incorporate advocacy efforts to convince beneficiary government to adjust their policy approaches to that of the EU's. A good example of this is the EU's support for nutrition in Bangladesh, through which the EU and other donors have developed a shared advocacy document (UNICEF 2012) and embedded technical assistance into the Bangladesh Ministry of Agriculture in an apparent attempt to integrate health with food security related responses to addressing nutrition. The table below illustrates the spectrum:

Fully Aligned Sectors	Calling for New Sector Definitions	Donor Retains Authority to Define Sector
E.g. health or infrastructure in which the EU buys into the government policy and wholeheartedly supports implementation.	E.g. Nutrition, HIV/AIDS or WASH where the EU works with government but invests in advocating the beneficiary government to adjust its policy to include donor concerns.	E.g. human rights, gender, private sector development in which the EU demonstrates little investment in advocating for government policy change but rather finances a parallel narrative that essentially critiques government.

Whilst in fully aligned sectors, the actual programming or activities financed are more clearly in support of the beneficiary government's own efforts, the EU and other donors participating in the

joint strategies still invoke a moral and technological imperative. This invoking of a moral and technological imperative is regardless the country analysed or the capacity or will of the beneficiary government. In fact, there are signs that this invoking of a moral and technological imperative is a feature of EU Member State development strategies as well as that of the EU itself. The Netherlands, for example, describes its approach to development cooperation in Bangladesh as being about “strengthen[ing] the leadership of the Government of Bangladesh (GoB).... despite progress, the GoB still has a long way to go to assume the lead.” (Netherlands: Section 2.7). On government capacity the Netherlands strategy goes further to say “Bangladeshi government institutions in general are characterized by lack of capacity and poor public service delivery.” (Netherlands: Section 2.6).

Two other interesting considerations emerge from the case studies. Across all country cases (including the previous chapter on South Sudan), the EU and Member States consistently, hedge their cooperation with the assertion that aid and development cooperation is soon to be withdrawn. “As Bangladesh moves towards becoming a middle income country and as such the aid relationship with the Netherlands will be eventually phased out.” (Netherlands: Section 2.1) The problem is that this narrative of a cut in aid simply does not follow reason. After all, whilst there have always been machinations about spending on aid there is no indication that OECD donors will cut aid. One need look no further, for example, than the United Nations July 2015 *Addis Ababa Agenda for Action* (art. 51) in which the global community welcomes “the decision by the European Union which reaffirms its collective commitment to achieve the 0.7 per cent of ODA/GNI target within the time frame of the post-2015 agenda”. In fact, this commitment to meeting the 0.7 percent target is affirmed every year in the EU’s *EU Accountability Report on Financing for Development* (see EU 2014). Furthermore, it stands to reason that with the EU and EU Member States currently only spending 0.4% of Gross National Income (GNI) on aid (EU 2014) that the overall size of aid will almost double to meet the stated 0.7% target. Combined with the fact that more and more countries (e.g. most of South America and particularly Brazil, China, South Korea and South Africa) are reaching middle income status and becoming donors in their own right lays question to what purpose this misrepresentation on the impending demise on aid serves.

At the same time, recent agreements and policy statements made in international fora demonstrate the likelihood that donors will not in the medium term future improve their use of or extend greater ownership and authority to beneficiary countries in setting sector definitions. More so, initial indications are that traditional donors are, in fact, expanding their investments

in advancing an increasing number of sector definitions and fields of intervention all of which prioritise what is presented as an international consensus on know-how and focus rather over that of beneficiary countries'. In every country case analysed, donors complained in their strategies of growing fragmentation and proliferation of stand-alone projects that tend to duplicate each other and make coordination more challenging. This identified problem of fragmentation, however, dates back to the 2005 Paris Declaration (OECD 2005) and even earlier for the EU (1976) such as with 1976 Council of the European Union Resolution on Coordination. The question that needs to be further unpacked, then is what the EU achieves in both continuing this fragmentation whilst also calling for and committing to better coordination and joint programming.

6. Discussions, Conclusions and Implications for the Literature

The final chapter of this dissertation first summarises the focus of the research, methodology used and contributions to the field/literature. The second section of the chapter is a substantive discussion on the findings, comparing them to the literature, exploring how they are interpreted by practitioners in the field and what assumptions need to be considered in the conclusion. Finally, the chapter concludes with discussions on the implications for literature and the field.

6.1 Focus, Methodology Used and Original Contributions to the Field/Literature

The focus of this research was to compare and contrast international donors' stated interest in supporting beneficiary country development plans with what happens in practice. The methodology used was to focus on a series of case studies in which donors have a stated policy intention to support the beneficiary country's development plan. The core of the research then was comparing and contrasting what these donors planned to do with their aid at the country level with that of the beneficiary country's development plan. The comparison focused on identifying where there are divergences and which of these recur in different country contexts and with different donors. The research looked at three different donors. South Africa as an emerging donor attracted a large amount of attention because it strives at the stated policy level to not repeat practices it associates as failures of other donors. The second donor case study was on the United States of America and its HIV/AIDS programming in Namibia. Finally, the European Union (European Commission) was selected as a multilateral donor with a focus on its programming in South Sudan. Finally, findings were compared and contrasted with the European Union's programming in Bangladesh, Ethiopia, Palestine and Mozambique in an attempt to weed out geographical bias. This comparison was then combined with an analysis of emerging trends in the post-2015 environment and their implications on the findings.

Research and analysis of this nature will always only reflect a subset of what is now a global industry involving dozens of donors and even more beneficiary countries. However, by analysing an emerging African donor (South Africa), the largest bilateral donor in the world (the US) and an influential multi-lateral (the EU) it is hoped that generalizable findings can be justified (even if they may not be empirically indisputable or inevitable). Similarly, the findings draw on programming from a wide spectrum of beneficiary countries to avoid the possibility the findings speak more to features in the country context than that of donors: the research covered aid in a middle income country (Namibia), a so-called 'fragile state' (South Sudan),

Southern Africa (Mozambique), the Horn (Ethiopia), South Asia (Bangladesh) and the Middle-East (Palestine).

This research is important to the academy because it speaks to the literature on what are perceived to be donor failures and/or unintended consequences of aid. Analysis of donor strategies for development cooperation in beneficiary countries puts forward the hypothesis that what are widely seen as failures or unintended consequences are in fact unacknowledged and possibly necessary features of an aid relationship. I say necessary because this occurs in all the case studies without any apparent differentiation to donor or beneficiary government. What this means for the literature is significant because it implies that the very act of programming aid in a beneficiary country is necessarily accompanied by what could be seen as unwanted side-effects. This finding is important because it speaks to aid as a tool or mechanism rather than commenting on a specific aid policy or to a particular aid approach. The finding thus implies that aid as 'a tool' produces these side-effects regardless the political priorities of the donor or the political economy of the beneficiary country. In other words, what is often categorised as an unintended consequence of failure is actually a predictable feature of aid itself and thus provides an insight into some of the implicit rules that govern what donors decide in allocating aid.

6.2 Findings, Discussions and Implications for the Literature

6.2.1 Limitations of the Research

Across the case studies this research is based on, there are a number of observations that are not readily answered by the literature. Whilst these observations might not necessarily feature with donors or countries not analysed, they should be compelling for the academy to consider because they feature prominently in all three donor behaviours regardless the country in which development cooperation is taking place. It is worth noting that the case studies covered examples that include the world's two biggest grant donors, the US and European Union¹¹⁸ (OECD 2014:46). However, because the European Union case studies involve joint programming with up to twenty-eight other EU Member States, there are also implications for the wider donor community. At the same time the study on South Africa as a donor makes the findings more compelling explicitly because of South Africa's stated intention to adopt a different approach

¹¹⁸ Country Programmable Aid as per the OECD ranks the US as the world' biggest donor at \$26 billion disbursed in 2012 and the EU second with \$18 billion. Third is Japan at just under \$15billion but when the EU Member States are added to the EU (European Commission) disbursements, as is the case in the joint programming case studies, the EU becomes the world's biggest donor. South Africa by comparison is small only disbursing about \$50 million annually as reported by Treasury in the annual budget 'votes'.

from that of traditional donors and the fact that South Africa is in no ways seen as a 'traditional donor' (SA DIRCO 2012). What this implies is that, insofar, as the South Africa case illustrates comparable findings, the findings might speak more broadly to the structural implications and/or side-effects of international development cooperation as well as to the specific donors analysed.

The big risk or critical assumption to be guarded against in drawing conclusions from a multi-case study analysis is to conclude that the findings are definitively universal. Whilst the findings are compelling, the scope of the research is limited. That being said because of the breadth of the case studies (covering three (and more) different donor approaches in seven different countries with vastly different cultures and social economic circumstances), the findings do provide compelling evidence that they apply to other donors and in other country contexts too.

To further test the integrity of the findings, the analysis was also verified through confidential interviews with 'senior' development policy practitioners in an effort to check the likelihood that the finding was context specific as well as in an attempt to get further insight into what might account for the findings. In this regard, more than twenty 'senior' development policy practitioners were interviewed (see respondents' profiles in annex). The first criteria for selecting these 'senior' experts were to ensure that they had significant exposure to the policy and programming decisions that inform development cooperation and strategy making at the beneficiary country level. Here it was important to guard against feedback from experienced development practitioners that are not intimately involved in either designing policy or conducting quality control on how donors allocate funding at the beneficiary country level¹¹⁹. Half of these respondents are officials working at the policy level in donor organisations; three are from think-tanks or specialised policy research organisations and the remainder were either officials or embedded technical assistants in partner country ministries of finance/donor coordination units. The interviews from these respondents were not treated as separate research findings but are referenced where valuable.

In line with the original aim of the study¹²⁰, this section focuses on findings that appear unintended consequences of development cooperation in the sense that they are either not

¹¹⁹ There are many senior development practitioners that only work at the project or sector level. Having extensive experience designing HIV/AIDS projects, for example, does not necessarily mean exposure to and understanding of how donors formulate their strategies for programming in a beneficiary country at the national level.

¹²⁰ O'Riordan PhD approved research proposal.

explained by the stated policy intention of the donor nor by the country specific circumstances in which the donor is working. That being said, it is quite possible that the findings document intentional donor behaviours even though they are unstated and not based in official policy. In either case, however, the conclusions remain faithful to the original objective of the research to focus on adding to the literature by documenting what comes out of donor allocations of aid at the country level that are not explained or adequately explained by the literature nor by official donor policies. Here it is also important to emphasise that the research is on *donor allocations of aid at the county level* as part of the programming/fund allocation process. The research did not grapple with what could arise from specific project level implementation or operational challenges. It is important then to read this chapter as being only about what comes out of donor practices at the policy and strategy level rather than at the operational level. Essentially this means these findings are 'pre-contextual' in the sense that they arise before project implementation begins or funding is allocated.

6.2.2 Findings, Discussions and Implications for the Literature

Each finding is documented below in separate section. The finding is presented with reference to how it emerged from the case studies. The finding is then discussed with reference to the fourteen interviews conducted with 'senior' development practitioners in order to present to what extent the finding is corroborated with the experience of other officials. Because the purpose of this study is to contribute to the literature, the finding is then also discussed to the extent it contributes to the literature. On the one hand the finding is compared to the literature in the hope of corroborating the finding but on the other hand the finding is interrogated with the intention of identifying new and original findings that contribute to expanding the literature.

The first finding (discussed below) is that contrary to their stated policies, when donors make strategies for how they programme aid in partner countries, contextualising their aid to the partner country political economy is often an afterthought or not a significant consideration at all. The second finding is that the way donors select and use sector definitions goes contrary to donors' stated policies to align with the partner country's development plan and, as such, appears to be primarily informed by donor political interests. The third finding is that donor aid appears to be accompanied by an assertion of technological superiority of the donor regardless of whether there is any new or better technology delivered by the donor. The fourth and final finding is that the assertion of a donor technological superiority also appears to be predictably accompanied by an assertion that the beneficiary country government officials are morally inferior or lacking.

6.2.2.1 Development Cooperation in the Recipient Country's Political Economy/Political Context

All three donors state at the policy level their intention to adjust their programming to fit the local political economy of the recipient country. South Africa, as a donor, is amongst the most vocal about this in its attempt to distinguish its practices from what it sees as traditional donors simply delivering 'one size fits all' interventions that are not contextually relevant or valuable to the beneficiary. The research also shows that both the EU and USAID¹²¹ have substantive high level policy commitments to ensuring that programming fits the recipient's political economy, social and economic context. Additionally, the EU and USAID have elaborated guidelines instructing their officials how to contextualise programming (the EU calls this variable political economy, conflict or context analysis; USAID has codified this in its Local Systems Approach).

These high level commitments, however, only serve as a contrast to what donors do in practice. All three donor case studies show that a large proportion (if not the majority) of programming continues as is, despite the local context. USAID's insistence that HIV/AIDS is a pandemic of emergency proportions clearly did not speak to Namibia's leaders' approach of treating HIV/AIDS as one of amongst a number of chronic health challenges that need to be addressed as part of a holistic and integrated systemic health response. The EU in South Sudan continued programming despite its own risk matrix illustrating that the political risks had reached a level threatening the viability of implementation. In fact, during the course of this study, the EU's commitment to adjust its programming to the local context in South Sudan was proven to be an empty commitment as most development cooperation ceased rather than transformed when South Sudan slipped back into civil war in 2014. The EU's inability or unwillingness to adjust to the political economy in South Sudan resulted in delayed disbursements that instead of being directed at contextually relevant programming in fact created an added incentive to make a decision that was clearly unviable and even damaging in the context. The result was that the EU reallocated its funds from project earmarked expenditure to general budget support the same month Human Rights Watch took to the international press its evidence that the South Sudan Government was complicit in targeted, ethnic based murder of innocent civilians. As importantly, South Africa's commitments to distinguish itself as a 'South-South development partner' more in tune with the recipients context made no discernible difference on how South Africa's country programming decisions were made. The research uncovered sufficient data to

¹²¹ USAID's Local Systems Approach, EU's *Agenda for Change* and Project Cycle Management guidelines, Conflict Analysis, Context Analysis tools, etc.

conclude that instead of South Africa pioneering new, contextually relevant approaches, it in fact replicated the same top down 'imported foreign concepts' as other donors do (albeit with the exception of one project that was cited as being mildly innovative in using regional networks to build capacity rather than sourcing Western experts). South Africa's disconnect between policy and practice was clearly illustrated by the Institute of Security Studies' (Lucey & Gida 2014) finding that South Africa co-financed a health care facility in Burundi that the government never planned for or took ownership of. The health care facility was justified and financed by South Africa without the buy in of the Government of Burundi resulting in it not being staff or resourced in any way, thus rendering the facility an empty building and for the purpose of this study an almost perfect example of a donor conceived initiative disconnected from the local context.

It is difficult to make sense of this finding because it seems to confound common sense in that even donors should want to see their projects succeed and deliver value and that the only way to do this would be to contextualise them. One possible explanation could be that even though donors know they need to contextualise their aid to the beneficiary's political economy, this knowledge is held in headquarters and has not distilled down to officials at the country level. Unfortunately, there was no evidence that this explanation could account for this finding except for the case of South Africa that have no aid officials posted at country level. In the cases of the US, the EU and the EU Member States, interviews with officials at country level found that the lack of contextualisation was one of the most commonly cited frustrations. Whilst two respondents questioned if the problem was wide-spread, all of the other respondents complained about the need for better contextualisation, with one official bemoaning that "it should be important for development cooperation to work with the right people on the right issue" but then going on to explain that his ability to contextualise aid was hampered by the fact that "it is for other people to do like the diplomats." (Donor Official 1, 2015)

The easiest solution would be to dismiss this finding as illustrating a system failure which would essentially mean that it is nothing more than a problem of officials not following instructions. However, this argument is not compelling because this problem recurs both in the findings and in the literature which broadens the relevance of the finding to many other contexts and different donor organisations. For example, the finding corroborates James Ferguson's *The Anti-Politics Machine* (2006) in which Ferguson talks about a "bovine mystique" to illustrate how the World Bank's approach to improving farmers' management of their cattle stocks ran contrary to the cultural, societal and political economy factors informing their decision making. This finding

was also corroborated by Li's work on the Asian Development Bank in Indonesia (Li 2007: 282) where she finds in regard to political economy analysis "they had a diagnosis, but no corresponding prescription".

The nuanced difference, however is that Ferguson's work implies that the lack of interest in contextualising aid is about a bigger project of enabling the beneficiary state to expand its administrative reach into previously inaccessible spaces regardless the country or context. Unfortunately, however, this study was not able to corroborate this hypothesis nor to advance an alternative real political explanation. Whilst many donor activities clearly provide the potential for the state to exert further administrative control by way of expanding their reach on the back of aid projects, there was also sufficient evidence that this result was not guaranteed nor necessarily taken advantage of when it did occur. In fact, sometimes the contrary occurred such as when the Government of South Sudan refused to take control of donor financed education and health facilities or in Namibia where the government preferred to ignore rural populations rather than make use of donor mechanisms to better administer these populations. Instead what does appear to be guaranteed and might even be a necessary component of donor behaviour, is that aid manufactures a technical narrative that is presented as apolitical (even if it is inherently always political). Here it is important to recognise, to the extent that anything donors finance appears as apolitical or just a technical feature of public policy, it is in fact always political whether recognised by the donor or not. When donors, however, transform aid into a technical narrative and cast it as apolitical, they are not making aid itself apolitical. Rather, they are working towards a means to operate in the beneficiary country that affords them the privileged position of being outside of the beneficiary's political dynamics whilst retaining the right to constantly critique and criticise political decision making. To illustrate, when donors say they are not political but, for example, only interested in the well-being and education of 'the children' they are intentionally or unintentionally criticising or endorsing the particular beneficiary government's policy (in regards to the well-being and education of children).

Needless to say, Ferguson's (2006) notion of aid being an 'anti-politics machine' is very much corroborated by this research in the sense that built into the donor approach is the assertion that donors have a right to promote and push forward 'development' regardless of whether it is called for in the local politics or not. As was the case with the Namibian government largely sidestepping the possibility to use HIV/AIDS as a means to further project itself into new political spaces, aid appears to continue the project of rendering political issues technical

regardless of whether or not the beneficiary country takes ownership of these avenues. In this regard, this finding implies that at some level, donors' branding aid as apolitical only masks the anti-politics role it plays in which it overrides, side-lines and dismisses local political processes regardless of whether it agrees with their priorities or not. As is demonstrated in the findings below, in all the case studies aid is also associated with a projection and accordant narrative of the donor as being superior and an authority to be learned from. In this regard, aid renders the developed world as reference points and benchmarks that is very effective at setting agendas for local political debates on what constitutes good public stewardship and more importantly what constitutes poor governance. At the same time, there is clearly a political or anti-political factor (related to the findings below) by way of which, when aid constitutes the beneficiary as corrupt or technologically inferior, aid itself corrodes the authority of beneficiary government appointed and elected officials.

6.2.2.2 Sector Definitions Are Politically Motivated; Donors' Country Strategies and their Relationship to PRSPs/Partner Country Development Plans

The case studies on the US in Namibia and EU in South Sudan laid the foundation for a comparator chapter on Bangladesh, Ethiopia and Palestine with a specific focus on donors' use of sector definitions and support to the beneficiary country's national development plan. At first glance this issue may seem somewhat pedestrian but after delving into the four decades of international aid effectiveness commitments, it presents itself of paramount importance. The 2005 *Paris Declaration on Aid Effectiveness* was signed by beneficiary countries and donors alike and is even tacitly acknowledged by South Africa in its international policies. The first two principles here are of 'ownership' of and 'alignment' with the beneficiary country's sector definitions and national development plan. This is explained as being important because when donors use their own sector definitions and do not frame their support within the beneficiary's national development plan it becomes difficult to monitor or coordinate and only serves to fragment aid from government activities. Thus the *Paris Declaration* (OECD 2005: art. 16) is a commitment by donors to align with "partners' national development strategies" that "includes poverty reduction and similar overarching strategies as well as sector and thematic strategies."

For the EU donors, the commitment to using beneficiary sector definitions and national development plans is even more important because it is intimately connected to the fear that the EU and EU Member States appear fragmented and thus erode their own influence and reputations in beneficiary countries. Furthermore, the problem appears to be as prevalent today as it was in 2005. In every country case, donors complained in their strategies of growing

fragmentation and proliferation of stand-alone projects that tend to duplicate each other and make coordination more challenging. But for the EU this problem of fragmentation, dates all the way back to the 1976 *Council of the European Union Resolution on Coordination* (EU 1976) and is not only justified by being important for the beneficiary but actually also seen as being about improving the EU’s brand abroad. The finding, needing to be further unpacked, then, is what is achieved through aid when donors assert their own sector definitions and bypass the beneficiary’s national development plan.

In this regard, the results show that it is important to qualify that donors do not always assert their own sector definitions over that of the beneficiary’s. In as many as half of the case-studies the donors adopted the beneficiary country’s sector definitions and directly supported the national development plan. The table below (from the analysis in Chapter 5) summarises:

Fully Aligned Sectors	Calling for New Sector Definitions	Donor Retains Authority to Define Sector
E.g. health or infrastructure in which the EU buys into the government policy and wholeheartedly supports implementation.	E.g. Nutrition, HIV/AIDS or WASH where the EU works with government but invests in advocating the beneficiary government to adjust its policy to include donor concerns.	E.g. human rights, gender, private sector development in which the EU demonstrates little investment in advocating for government policy change but rather finances a parallel narrative that essentially critiques government.

At *first glance* it might be easy to conclude that when donors agree with the beneficiary country’s development plan and adopting the beneficiary’s sector definitions this is because they endorse what the country is doing. Concurrently, the conclusion *could be*, however, that when donors do not subscribe to the beneficiary countries policies and sector definitions, they do so because they do not agree. Whilst appealing and disarmingly conclusive, this conclusion is entirely *incorrect* because there is no correlation between donors adopting the government’s sector definition and their greater support for the government’s approach. In Ethiopia, for example, the EU and EU Member States fully align to the transport sector but they are no less critical about the government’s competence or the credibility of government’s policy. Even in the road sector, donors applied the moral imperative in dismissing government policy as servicing the needs of elites and being meaningless because of the incompetence of government officials.

What is more striking, is that in every country case study, the beneficiary country’s national development plan was comprehensively consulted with donors thus giving lie to the assertion

that the beneficiary country's development plan is nothing more than a "shopping list" (EU officials in multiple countries) with no credibility. More problematically, in all of the country cases donors themselves contributed to or even drafted the beneficiary country's development plan. In Namibia, the development plan was collated and drafted by consultants financed by Germany; in Bangladesh and Mozambique, UNDP used pooled donor resources to finance the drafting of the plan and in Palestine the plans were extensively consulted and drafted by donor financed experts. The only outlier was Ethiopia in which case the development plan, *Plan for Accelerated and Sustained Development and Eradication of Poverty (PASDEP)*, was largely drafted by government but with some donor support and still extensive consultation. The case of South Sudan, however, is the most damning with the *South Sudan Development Plan (SSDP)* being drafted by the *Joint Donor Office*. Nothing illustrates the contradiction in the finding of this section more than the Ministry of Finance Official in South Sudan who questioned, "why do they criticise it [the SSDP] if they wrote it?" Beneficiary Government Official 1 (2012)

What is more interesting though, is that it is not a unified donor group putting forward alternative sector definitions or developmental approaches. In other words, it is not as though the donor community thinks the government sector definitions are wrong and are thus offering an alternative. The programming of aid in pursuit of objectives alternative to those of the beneficiary government's thus does not appear to be about the credibility of the government policy to address the challenge at hand. Instead, this practice appears to be entirely about the priorities of the specific donor in question. Much like Malkki's (1996) findings¹²² about how the international community reconstitutes the status and standing of people through branding them as refugees or stateless, it appears donors use sector definitions to reconstitute the status and standing of the government's own plans and activities as needing support. This is testified to by the fact that there is discord on this regard even amongst similar thinking 'like-minded' donors that may have even signed up to common global objectives. The comparator case study showed that whilst the EU is committed to supporting beneficiary governments at a policy level, operationally the EU does not buy into or support beneficiary governments in more than half of its sectors of engagement. This finding was also recently corroborated in a study (Herrero, Knoll, Gregersen & Kokolo 2015) on the EU's programming in Africa, the Caribbean and Pacific

¹²² Malkki's (1996:378) observed in Burundi that sympathy for refugees seemed to depend on them being helpless; once refugees started to exhibit agency, international actors were quicker to ignore them or cut support for them. As the third and fourth finding show the narrative surrounding and justifying aid also appears to depend on beneficiary governments remaining needy and lacking to give the development cooperation dialogue meaning. When questioning a interviewing a senior donor official (24/8/15 BE1) he explained, in reference to 'middle income countries': "middle income means it is a domestic issue and not our problem but in lower income countries development is about where we can reform governments and improve things."

in which the research found evidence that in the case of the EU, the proffering of these sector definitions is purposeful more so than accidental: “In many countries, initial programming proposals based on in-country consultations, were superseded by HQ choices. Although...aligned with national development plans, there is evidence that a top-down approach to programming has led to a significant erosion of... country ownership.” But even when it comes to raising new policy priorities such as in improving nutrition or community resilience the EU is fragmented even amongst its own family with some supporting the new policy objective and others refusing whilst directing their attention to what are largely exactly the same activities but branded as being in support of agriculture, rural development of local governance, for example.

6.2.2.3 Technological Superiority

For the purpose of this study, South Africa’s poorly conceived explanation (Besharati 2013) of its comparative advantages (that included peace building, tax reform, public financial management and proximity to the beneficiary) as a donor laid bare the notion that a sense of technological superiority stands prior to an analysis of the partner country and its own national capacities. Were it a single example it might be dismissed as the folly of a particular donor but the case studies show that the assertion of this technological superiority features in every country case and with every donor. Even so, a reasonable and cursory explanation would be that donors only choose to engage where they have a more advanced way of doing things than the beneficiary. Alternatively, a reasonable explanation would be that by their very nature, richer donor countries have capacities that poorer donor countries are lacking. This argument would hold water if, for example, the superiority to which donors referred to was tangible and identifiable such as, for example, if US was putting forward the best of its epidemiological modelling as a technology to be deployed to the HIV/AIDS pandemic. The problem, however, is that in most cases (with some notable exceptions) the superior technology proffered by the donor turns out to be not at all sophisticated and hard to believe out of the reach of the beneficiary government. This finding goes a long way to corroborating Escobar’s (1991:667) conclusions that aid serves a functional role as “identifying [beneficiaries] as a “problem”” through which donor financed development is the “legitimate solution” and Mosse’s (2005a: 124) observations about how aid actually uses ‘consultant knowledge’ to “cross boundaries of rank and status” rather than to bring identifiable and credible analytic resources and techniques to bear.

With the US in Namibia, for example, the superior technology the donor is putting forward is the ability to extract HIV/AIDS data from the government's own database and present it back to government officials in an easy to read format. To be clear this could be a valuable tool to inform the HIV/AIDS response but it is by no means a technology superior to that available to and already within the Namibia government. Much like Mosse (2005a) observed, aid does, however, enable USAID and its contractors to take largely unremarkable information already available to junior management in government and use it to cross hierarchical lines thus getting preferential attention of both government and donor decision makers. Similarly, with the EU programming, the donor repeatedly invokes such things as evidence based research or monitoring and evaluation as if they are new and sophisticated technologies that will change the face of poverty globally.

The case studies provide sufficient evidence to show that aid appears to be intimately intertwined with the assertion and proposed deployment of superior technologies to solve developmental challenges. The problem is that in most cases the assertion of the superiority of the donor technology precedes the identification of the specific problem at hand (similar to the first finding of this chapter that the context analysis is not connected to donor strategy making). When investigated more closely, the technology itself, in most cases, appears to be nothing more than an alternative administrative method or in the worst cases a donor manufactured description of a commonly used practice. 'Evidence based policy making', for example, recurs in the EU case studies as a newly advanced approach to public sector management. However, when unpacked 'evidence based policy making' appears to be nothing more than a commitment to use evidence (e.g. national statistics) in policy making. While an important principle, this hardly represents a new donor technology and is certainly no silver bullet to fixing national or sector policy.

The use of the term technology rather than 'technique' or 'approach' is intentionally used to describe these findings because the case studies appear to show that aid is associated with the fetishizing of new approaches much as is the case with new technologies. Corroborating the analysis done by Latour (1996) on the expansion of the Paris metro, *the hope and desires embodied in the use of new technologies* appears to have primacy over whether the particular technology has any value to the problem at hand or is indeed a new technology or not. Here, one agenda of donors appears to be about the desire to deploy a new approach or technique regardless of whether it is called for or not. New technology, as Latour (1996: VIII) puts it is

“sufficiently magnificent and spiritual to convince them that the [technologies¹²³] by which they are surrounded are cultural objects worthy of their attention and respect.” The extent to which it becomes a fetish is that some interviewees referred to donors shuttering well-functioning projects to replace them with projects deploying ‘new’ or ‘innovative’ approaches with little evidence that they would work or did work. Similarly, Li (2007: 75) observes how aid workers almost religiously put forward the notion “that any piece of land could be made productive with sufficient investment of labor and technology” despite the common sense acknowledgement to the contrary.

When this finding was shared with respondents for their interpretation, there was a consistent recognition that aid is associated to a constant cycle of invoking new technologies and approaches that when investigated appear to be nothing more than a repackaged standard practice. All respondents expressed frustration with this tendency. One for example, complained that “Working with donors is just about new systems and frameworks that don’t do much different” (Southern/US Think Tank 2014). Another complained, “we are outsiders pretending we are experts; let us be honest that is how we get involved even though what would be better is to just support [the government’s] experts.” (Donor Official 6 2014) And that “without dialogue [meaning on new policy or approaches], aid is likely to descend into a confrontational relationship.” (Donor Official 7 2014).

This finding is not entirely new but at least it is corroborated in the literature. Referring to a new approach put forward by the international NGO CARE, Li (2007: 138) reports that the so-called experts were quick to say that rather than proffering exceptional technological progress as promised, “at best, they saw their work as a ‘door-opener’ for conservation activities and other project components [only] belatedly attending to the situation of the landless”. Li’s findings were further more poignant for this study in that she also found that many so called ‘beneficiaries’ questioned the value of donor aid: whilst noting the continued presence of aid workers, Li’s respondents also cited no evidence of where the funding is going whilst always being accompanied by a new technology being put forward. Li’s respondents asked (rhetorically) “If outsiders are not to supply money or technology, why are they there?” (Li 2007: 281). Whilst donor respondents from this study were adamant at least about the transfer of monies, they were equally as unconvincing about the value of their professed approach. Similar to Li’s findings, when pressed, donors were quick to point to the real value being embedded in the beneficiary’s own knowledge networks. One donor official when questioned

¹²³ In the specific sentence Latour uses “machines” but in reference to “technology” earlier on in the text.

about the apparent lack of sophistication of public financial management systems (Donor Official 8) retorted that “in any case, the good practice is to find local good practices and replicate them rather than import foreign approaches.”

6.2.2.4 Moral Imperative



In all the case studies, donor strategies and approaches directly invoked a moral imperative as an apparent justification for the aid approach. This moral imperative appears to be partly used to justify giving aid in the first place but this aspect of the moral imperative is not of interest for this study because it does not relate to how donors behave in beneficiary countries. The moral imperative, however, comes into explicit focus in the case studies in that it directly casts many beneficiary decision makers as corrupt or morally disinterested in the welfare of their own people.

What is of most interest, however, is that this moral imperative stands outside of any of the beneficiary country specificities. Whether the donors are justifying aid in Palestine, Namibia, Ethiopia, Bangladesh or Mozambique they deploy similar phrasing to describe beneficiary government officials as corrupt, unwilling and unable to combat corruption and/or to deliver social services to their own citizens. As the above poster, from a government building in South Sudan implies, corrupt beneficiary government officials are primarily responsible for the lack of services with these officials contrasted with donor officials that are not corrupted. What was especially interesting from the case studies, however, is the possibility that the moral imperative is able to transcend racialized or Western biased perceptions of the corrupted third world. Instead this assertion of a moral superiority was found to feature strongly even in the case of South Africa as a donor. South Africa’s predominantly black government is able to both criticise Western senses of superiority whilst also justifying its aid spending in juxtaposition to

other African countries whose officials are positioned as 'corrupted' and 'disinterested' in combatting the exploitation and oppression of their own citizens (PMG 2002). To be clear, there are undoubtedly bureaucrats in beneficiary countries that are corrupt and uninterested in the welfare of their citizens but this applies equally to developed countries and donor officials themselves. The importance of this finding is not related to its accuracy but to the fact that it appears as a feature of aid generated solely by the donor and seems to stand prior to analysing or working with the beneficiary. The question that needs answering is what purpose the moral imperative delivers and whether it can reasonably be assumed that it is a necessary feature of giving aid in and of itself? In this regard, the use of the moral imperative appears to be inextricably linked with the proffering of a technological superiority.

When pressed most of the donor respondents acknowledge that the beneficiary's own (indigenous) knowledge networks are likely more valuable than the donor's own knowledge of the problem and possible solutions at hand. This occasional verbal acknowledgement of the value of indigenous knowledge systems, however, contradicts what is written in these same donor programming strategies. As was shown in the case study chapters, all the donors analysed emphasised theirs to be a superior approach or technique to what was available in the beneficiary country. The complex finding, then, is a contradiction between what appears to be a common sense acknowledgement that donors are not necessarily technologically or technically superior to their beneficiaries and the fact that their programming strategies are grounded in the deployment of a superior donor technique or technology. Put simply, the question becomes, if donor officials recognise that indigenous knowledge networks and approaches are likely more appropriate to what donors have to offer, why does aid not simply acknowledge the superiority of these systems and support them? Where there are gaps there would still be space to augment the beneficiary's systems with a Western technology if needed but there is no obvious reason why donors need to assert a technological superiority regardless the country or context.

One potential argument that respondents cited as a potential driver of this narrative of technological superiority is the vested interest donors have in procuring consultancy and expert services from their own headquarters. The line of thinking goes that aid is primarily self-serving and donors really use it to hire nationals from their own country. This combined with a revolving door between staff of donor agencies, staff of international NGOs and staff of international consultancy firms creates a real incentive to procure at headquarters. Whilst this is certainly a credible argument, it has its challenges in that that it does not appear to be backed up by the findings in the case studies. In the Namibia case, for example, the use of US experts at

first glance appears prominent in that there were at least three Americana contractors/non-governmental organisations (NGO) benefiting from USAID funding. However, the cost of these contractors was estimated to be a small proportion of the US's overall aid spend. Furthermore, after meeting with the contractor/NGO teams, it appears the vast majority of the staff were not American citizens at all. When compared to the EU case-studies, this dynamic became even more marked because of the use of budget support. The EU's proportional spend on consultants in the case of general budget support, such as were the cases in Ethiopia, Palestine and South Sudan, for example, approximated less than one percentage point. At the same time the EU has also liberalised its procurement rules to allow nationals and consultancy firms of non-EU countries to compete on an equal footing. In Namibia, the USAID procured international staff also comprised a larger proportion of non-America citizens than American as well as including large numbers of international 'experts' from other developing countries such as Zimbabwe and Kenya. With the South Africa case study, the use of consultants was not well documented but from the ISS findings, beneficiaries were more likely to complain about the lack of a South African presence on the ground than criticise the use of aid money to procure South African expertise, so the potential impact of vested interests in this context is muted at best.

What gives nuance to the invoking of this technological superiority, however, is the finding that it is almost always accompanied with a moral imperative. In this regard, the donors studied tend to justify their aid and programming approaches by asserting that the beneficiary is *both* technically lacking *and* morally compromised such as through being corrupted or in being disinterested in the plight of the poor.

“When we perform well the donor says our systems are not sufficient to measure success but when we fail they say it is our fault for not using the systems available to us.... I sometimes think they [donors] believe all the locals are incompetent.”

Beneficiary Government Official 2, 2013

Referring to a meeting with a donor official, “Did you hear what that diplomat said? He said we have no capacity, he came into my office, said I cannot do my job, said that I am corrupted.”

Beneficiary Government Official 3, 2013

Interestingly this moral imperative and technological superiority even features strongly in circumstances where the programming or activities financed directly support the beneficiary government's own efforts and policies. In the Namibia case-study on the HIV/AIDS sector, for example, these findings featured prominently despite the fact that the government is financing

more of the response than the donors are. Similarly, the beneficiary's moral standing and technical capacity are even disparaged in country contexts like Palestine in which the donors are financing direct budgetary support that is entirely about paying for the government to implement as normal (i.e. without added donor technical inputs). In other words, even though the donor is a minority partner and the donor fully invests in the government led initiative, the donor still invokes its technological and moral superiority over the government.

The finding on the moral imperative is complex because it touches on post-colonial legacies and other complex theories of the rise and maintenance of a notion of Western, and now South African superiority. As such the finding needs no corroboration on its own. However, when combined with an assertion of technological superiority and in the context of development cooperation the finding becomes more complex and is thus analysed in detail in the conclusion below rather than in this section on the finding itself.

6.3 Discussion and Conclusions

6.3.1 Discussion

“The Westerner has an aggressive mentality. When he sees a problem he will not rest until he has formulated some solution to it. He cannot live with contradictory ideas in his mind; he must settle for one or the other or else evolve a third idea in his mind which harmonises or reconciles the other two. And he is vigorously scientific in rejecting solutions for which there is no basis in logic.”

Biko, 1978: 48

Throughout this entire research project the ghost of racism, imperialism and post-colonialism such as expressed by Biko (above) have called for a conclusion that aid is nothing more than a relic or self-interested tool by which the West further subjugates the developing world. The problem is, that even though this easy explanation is echoed by some of the greatest minds in the field (Sylvester 1999, Escobar 1995, Ferguson, 2006, et al.), it simply does not provide a compelling explanation for what is going on. For a start the interviews with the key respondents did not convince that donor policy makers are self-interested or engaged in an imperial project at least not in a clearly apparent manner. In fact, most interviewed came across as earnest and committed professionals too often exasperated by what they themselves see as a project failing to deliver for the poor. Furthermore, South Africa's involvement as a donor that displays behaviours similar to those of so-called 'imperial powers' seems to undermine the notion that aid is simply a form of imperialism. This is especially the case since South Africa is a tiny donor and one that seems bent on spending its money in countries where it cannot accrue much

benefit or influence whilst also actively calling for imperial and post-colonial influences to be reduced.

Another observation emerging from the case studies is that development cooperation is simultaneously accompanied with both a narrative of superiority and a baseless narrative of its own demise. Across all country cases (including the previous chapter on South Sudan), the EU and Member States consistently, hedge their cooperation with the false reminder that aid and development cooperation is soon to be withdrawn. “As Bangladesh moves towards becoming a middle income country and as such the aid relationship with the Netherlands will be eventually phased out.” (Netherlands: Section 2.1) This narrative of a cut in aid whilst accepted without contestation by almost all correspondents, simply does not comply with reasonable analysis. Whilst there have always been machinations about spending on aid there is no indication that OECD donors will cut aid. One need look no further, for example, than the United Nations July 2015 *Addis Ababa Agenda for Action* (UN 2015: art. 51) in which the global community welcomes “the decision by the European Union which reaffirms its collective commitment to achieve the 0.7 per cent of ODA/GNI target within the time frame of the post-2015 agenda”. In fact, this commitment to meeting the 0.7 percent target is affirmed every year in the EU’s *EU Accountability Report on Financing for Development* (see EU 2014). Furthermore, it follows basic arithmetic that with the EU and EU Member States currently only spending 0.4% of Gross National Income (GNI) on aid (EU 2014) that the overall size of aid needs to increase by three quarters to meet the stated 0.7% target. Combined with the fact that a large number of countries (e.g. most of South America and particularly Brazil, China, South Korea and South Africa) are reaching middle income status with some becoming donors in their own right, there is no evidence that aid is on its death bed even though donors continue a narrative of its demise.

Furthermore, far from donor policy makers coming across as all powerful global influencers, the respondents interviewed were more likely to express disappointment and disaffection and were often quick to admit shame about what they see as a waste of public/‘tax payer’ resources. The most common unofficial confession was when respondents dually admitted that they did not know what solution to put forward in their day to day duty whilst confessing embarrassment for “[continuing] to live like kings on these tax free salaries and in paid housing.” (Donor Official 9 2012). If there is any irony to take away from sharing the findings of this study with donor policy makers, it is that the self-same moral imperative and technological superiority donors apply to their beneficiaries, officials seem to apply to themselves. It is almost as if the aid

industry is simply converting its denial of the privately held fears and failings of its own officials into a narrative that the beneficiary is worse still.

Whilst this observation may come across as circumstantial or just a result of poor sampling it deserves considered attention because it accompanies a host of other observations that give credence to the argument that policy makers and donor officials themselves often struggle to understand the rationale behind decision making in the aid industry. When asked for examples of successful projects, most respondents cited experience of good projects but invariably commented that these projects were subsequently closed down or discontinued. One donor official explained, “The Quality Support Group refused to extend the project because they said if it is so successful, Government should fund it.” (Donor Official 3, 2014). Put together, the respondents were of the opinion that the aid industry tends to shutter good or effective existing projects in favour of funding new and often untested projects and approaches. When asked to explain the rationale for this respondents invariably referred to the role of aid being about policy dialogue by which they meant that sustainable solutions are to be found in promoting good beneficiary government policies and not in donors financing good projects per se. The problem is, however, that when pushed to explain what particular policy change was needed, donor officials interviewed were largely unable to cite any specific policy change aside from vague statements about the need for better corruption mitigation, public financial management, monitoring, evaluation and/or evidence based policy making systems. When pressed further, however, respondents explained that policy dialogue is valuable but not really in terms of how it influences policy reform: “without policy dialogue aid is likely to descend into a confrontational relationship.” (Donor Official 5, 2014) explained one official. Said another, “policy dialogue is about strengthening the partnership; *political dialogue* is about complaining about corruption or threatening to cut aid if corruption is not combatted.... this, of course, is a myth because politicians are almost obliged to lie about this.” (Donor Official 4, 2013) Policy dialogue then appears more about continuing a conversation and maintaining the relationship rather than about actually advocating for policy reform. Some respondents objected to this observation pointing out that policy dialogue was essential for creating pressure on beneficiary governments to combat corruption and grant rights to civil society and citizens. Again, however, when pushed for examples respondents had little in the way of good examples, explaining that combatting “corruption is never achieved through dialogue or conditionalities despite the fact that some donors want nothing more than to continue the dialogue.” (Donor Official 4, 2013) Even when it comes to the vaunted goal of protecting and consulting civil society, one donor official admitted that “donors don’t really care about civil society despite what they say; they

always disagree on who to support, how to support, etc. The only time they agree on civil society is when to criticise the government on a civil society or foreign funding act.” (Donor Official 2, 2014) This perspective, to a greater or lesser extent, is corroborated by the case studies in which even though the donors uniformly call for greater consultation and participation of civil society in policy making, in all cases consultations with civil society only happened once the donors had already designed their strategy. It would seem that donor governments are no more willing to open their inner workings to scrutiny than beneficiary governments are.

When questioned on how their performance is primarily measured, donor respondents all cited disbursement pressures as dominating decision making. Whilst it is difficult to conclude whether the pressure to disburse funds is in fact as influential as it is quoted as being, the size of the problem described is hard to ignore. Every interviewee cited experience observing or being forced to make a bad funding decision inevitably because of pressure from ‘headquarters’ to meet disbursement targets. The most significant cited waste of resources (in terms of size) was increasing the size of or continuing budgetary support despite elevated levels of suspicion (and even evidence in support of it) that at the highest level funds would be redirected illicitly or on unapproved expenditure. On the actual machinery that drives donor decision and policy making, real failure is equated with not spending allocated resources: Sweden: (Maputo 290113) “We get seen as not performing if we do not disburse not if we do not have progress.”

Combined with the findings from this study, the pressure to disburse also needs to be accompanied with the high standards imposed to approve a project in the first place. In order to get a project approved, a donor official needs to (EU 2004, Project Cycle Management Guidelines) promise measurable results, the like of which attract reputational benefit to the donor organisation. The problem is that aid projects rarely have funding available for more than three or four years meaning that there is an incentive to promise results even if the physical means are not there to achieve them. Whilst it is possible to build a road or a bridge in three year life span it is highly unlikely to deliver meaningful social change in such a short time frame. The result of these dual pressures to disburse funds and get projects approved is a perverse incentive to inflate what is achievable. So, for example, the EU in South Sudan (EU 2011b: 22), whilst in the middle of a full blown humanitarian emergency, deteriorating security situation and inaccessible communities, promised to measurably contribute to “raising the general enrolment rate to 92%, reducing the drop-out rate to 15%, ensuring a pupil to textbook ratio of 1:1” within *two years* despite the adult literacy rate sitting at only 27% (EU 2011b: 7) and 70%

of children having never attended school at the beginning of the programming period. This contradiction is not lost on policy makers, with all too often clear references in the programming documents that the targets are simply not achievable. In the South Sudan case, the promise to increase school enrolment rates to 92% in two years was followed in the very next paragraph with the caveat, “there is a significant risk they may not be met in the short to medium term” (EU 2011b: 22). Such observations are cited in the literature, but none as well as by Abdelnour and Saed (2014) in *Technologizing Humanitarian Space: Darfur Advocacy and the Rape-Stove Panacea*. By documenting donor incentives and the drive by aid practitioners to offer every more innovative solutions, Abdelnour and Saed explain how a “US-based humanitarian advocacy organizations drew upon spatial, gender, perpetrator, racial, and interventionist representations to advance the notion that “stoves reduce rape” in Darfur” and then went on to show how this untested and largely untrue ‘solution’ was funded globally. In an isolated case this finding is only evidence of overly ambitious programming. However, when it recurs, as it does across all the case studies albeit to a lesser degree, it constitutes evidence that excessive, even on occasion, preposterously ambitious programming targets are a systemic feature of how donors manage and drive aid globally.

6.3.2 Conclusion

“Knowledge doesn’t exist unless it is packaged and productised at least for the institution.”
US Think Tank Respondent 2014

This doctoral research contributes to the finding that when the case studies are analysed in comparison to beneficiary country development plans, aid produces donor strategies that promise results that tend to appear overly ambitious and within unrealistic timeframes. These overly ambitious results and timetables are presented as viable and financed as such in what appears to be a donor manufactured conceptual space that is delinked from the beneficiary country’s political economy. This act of creating and financing strategies disconnected from the political economy that governs them, recurs despite the same donors working to combat this practice at a policy level. Whilst the donors studied have simultaneously created a narrative, related policies and guidelines to guard against this practice, the practice continues and is, in many ways, a predictable feature of development cooperation. The analysis showed that in all the case studies and in more than half the sectors analysed, donors continue to use their strategies to promise results that are outside of and/or in parallel to government’s own sector organised systems and the beneficiary’s political economy. The first theoretical finding of this research is that an unstated but reliably predictable result of aid is that donor strategies manufacture unrealistic developmental priorities not relevant within the beneficiary’s political

economy and additional to the beneficiary's own developmental priorities regardless of what they may be. Whilst the research does not have sufficient evidence to definitively conclude that this result is purposeful or intended, it does have sufficient evidence to conclude that it is an accepted (and possibly desirable) feature of aid that donors perpetuate or at least decide not to act against. The evidence that supports this conclusion is the finding that the donors analysed all have policies in place to guard against this act and deploy such policies when within their interest. In the case of the European Union and US Government such policies are further accompanied by organisational guidelines intended to build the organisations capacity to guard against this act.

The second finding is that unrealistic strategies are accompanied by a narrative that paints beneficiaries as morally and technically lacking. My suspicion is that this narrative appears to serve the function of neutralising potential criticism by beneficiaries of the feasibility of donor strategies and approaches. Furthermore, by creating a narrative that calls the beneficiary corrupt and incompetent, aid creates a sort of 'reverse halo' in the sense that in comparison, donors are positioned as morally and technologically superior. At least at one level, this corroborates Mosse (2005a) in suggesting that one of aid's unstated roles is in creating a knowledge system that serves to undermine the perceived authority of the beneficiary by the beneficiary him/herself. This finding is further reinforced with donors asserting their own rather than beneficiary government priorities and sector definitions despite donor policy commitments to the contrary. The case studies show that by using half of their aid to finance developmental priorities in sectors not explicitly identified in the beneficiary's own development plan, donors are actually and actively investing in a narrative that positions the beneficiary either technologically lacking because they have been unable to understand the importance of the donor priority or morally lacking because the beneficiary understands the importance but does not care. The continued use of donor rather than beneficiary sector definitions despite donor commitments to the contrary shows a continued bias in the political economy of aid allocations towards projects and programmes of conceptual value to donors more so than to the beneficiaries regardless the feasibility of the project itself.

"The biggest impediment to development is that these departments always review and change directions based on dialogue with the donors about new approaches....but it does not help, it just recreates the wheel over and over again."

Southern Think Tank Respondent 2015

One concern about these findings is the possibility that the beneficiary government itself is actually lacking authority. In this regard, aid would be seen as compensating for a weak beneficiary government that, in reality, lacks authority. Indeed, there is an argument to be made that an important feature of aid could be to undermine or compensate for the authority of problematic governments. The problem with this argument is, however, not that it undermines the finding but rather steers it into a more dramatic and potentially explosive conclusion that would find that aid acts as a tool to specifically undermine the authority of developing country governments. Whilst this researcher chooses to avoid this potential finding it might have some weight in the fact that aid's presumption of a moral and technological superiority appears to precede identifying or designing a strategy to work with the beneficiary government. This presumption is self-evident in relation to global developmental objectives such as in the US's combatting HIV/AIDS in Namibia or the global pursuit of climate mitigation both of which position developing countries as needing donor solutions to their developmental challenges. Interestingly the South Sudan case study illustrated that there might be space for another study on this particular aspect of aid. In South Sudan, when interviewed the donor sector leads were all asked to identify to whom they were speaking to in government in trying to achieve their policy dialogue objectives. In South Sudan, all of the sector leads, cumulatively responsible for over a billion dollars in aid, whilst largely able to name the minister responsible, they were unable to list government officials by name or even the specific units responsible for policy making in their respective sectors. When pressed many of the respondents confessed that programming and policy dialogue priorities (e.g. the need for a focus on nutrition or gender or public sector reform) were instructed by their respective headquarters even before dialogue with the beneficiary began. If indeed this finding applies to other countries, it would mean that there is some form of donor incentive in place that discourages donor officials from working with and building working partnerships with the same beneficiary government officials they are claiming to assist.

In conclusion the findings of this study are that aid produces considerably more than its stated goal of poverty alleviation. Whether or not aid contributes to poverty alleviation and whether or not it works in the vested interests of donors, it also consistently (possibly necessarily) produces a narrative and knowledge system and narrative directed both at donor and beneficiary audiences. This narrative and knowledge system consistently puts forward the notion that poverty in beneficiary countries is at least partly due to the moral standing of beneficiary government officials and their lack of capacity, in the best case, incompetence and indifference in the worst. This narrative and knowledge system is dynamic and responsive and

continuously works to adjust and change through shifting sector definitions, invoking new objectives and priorities. The narrative and knowledge system, however, are not primarily focused on delivering solutions (although on occasion it is) but rather on continuously evolving a narrative of new technologies and approaches that always imply that donors have the solution and that aid is the path by which beneficiaries can build their competence. Whilst the research findings do not conclusively prove as such, it would appear that aid is a power mechanism in line with Foucault's notion of bio-power. Like an overweight television viewer that constantly watches weight loss programmes without ever intending to go on diet, there is a relationship between donors that continuously put forward solutions that beneficiaries review and engage with but rarely ever adopt. The failure to go on diet or to convince viewers to lose weight might be seen as an objective failure, such as is the case by Moyo (2010) and Easterly (2002), for example. However, it does not actually constitute a failure as much as it misunderstands the nature of the relationship between the overweight viewer and the experts that promise a solution. Similarly, in aid the failure to convince beneficiaries to solve their challenges has little impact on the broader project of aid itself. The broader project thus appears to be less about the stated goal of poverty alleviation even though it is inextricably connected with telling others how to achieve it.

The findings imply that aid is better understood as a tool used by donors to project their influence abroad and not primarily aimed at helping the poor or alleviating poverty. This is not to say that donors would not opt to achieve both should it be feasible but rather that aid very much serves primarily to perpetuates a narrative and knowledge system. The findings imply that aid as a tool is not ideologically constrained (thus ready to be deployed by emerging or traditional donors alike) although in the form it is used it appears to be valuable in manufacturing a literature and purported evidence base that positions donor government officials as morally and technologically superior whilst contributing a narrative that invariably undermines the authority of beneficiary government officials. This is an important finding because it implies that aiming to improve the effectiveness of aid or changing its stated policy focus is not likely to address some of the problematic aspects of aid discussed in this thesis. The appeal of aid to donors, then, appears to be of significant value in that participating in the international aid project means participating in the dominant narrative of what constitutes effective and good government and by implication attributing responsibility for poverty to poor people's government officials. There is a certain violence that accompanies helping others that is related to the humiliation associated with being a recipient and the invariable power embedded in being a giver, a giver that reserves the inalienable right to withhold his or her gift.

This violence is wrought on the disempowered through incentives and disincentives to subvert their own voices in favour of what the donor says. Implied in the gift is demonstrating support for how the donor speaks and what he or chooses to say. There is nothing new to this notion of aid being also an act of violence and subjugation: Jewish biblical laws on charity and giving, for example, argues that gifts should be given in a way that the giver does not know whom the recipient is and the recipient not to know who the giver is¹²⁴. The notion is to preserve the dignity of the recipient by not putting him or herself in a role where he or she may pander to the giver. Zizek (2008:22) similarly associates the global aid project with a *Violence* on multiple levels, both in terms of aid being used to tell others what is best for them thus undermining their own voices and as a grand distraction through which “developed countries ‘help’ the underdeveloped....thereby avoid[ing] the key issue, namely their complicity in and co-responsibility for the miserable situation of the underdeveloped.” Zizek (2008:39) Regardless whether aid is in service of a grand project of deflection or not, this research does provide evidence that aid appears to systematically invest in a narrative of donor superiority through undermining beneficiary voices whether by writing over their explanations of the challenges they face (i.e. sector definitions) or by undermining the authority government officials have in systematically presenting them as corrupt and incompetent. It is no wonder, then, that aid tends to produce projects that are unrealistic and decontextualized: after all, without the beneficiary officials participating in an authoritative manner vital checks and balances that typically ensure programming is contextually relevant and realistic are simply not there. Insofar as aid fails to be contextually relevant or in pursuit of viable programming objectives, its cause may less be a failure to design interventions robustly and more a side-effect of a project that erodes the authority of discordant local voices, most notably of the very government officials who are often best positioned to advise donors on whether or not their proposed intervention is contextualised or realistic.

¹²⁴ See: http://www.chabad.org/library/article_cdo/aid/2719201/jewish/Charity-Basics.htm

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Annex: Respondents' Reference/Profiles

1. Bangladesh Government Interview 21 August 2014. The respondent was a section head in the Bangladesh Government's loan management section. The respondent was intimately involved in negotiating loan terms with international lenders, the (Asian and World Bank), as well as China.
2. Beneficiary Government Official 1 (10 August 2012). The respondent is a senior government official responsible for coordinating relations on behalf of the South Sudan government with its donors. The respondent is also the appointed government interlocutor responsible for commenting on and giving government input to donor country strategy papers. The respondent indicated his willingness to be identified as being from South Sudan but not to be identified by name or exact function.
3. Beneficiary Government Official 2 (24 October 2013). The respondent is a senior government official responsible for coordinating relations on behalf of an important social service delivery line ministry with its donors. The respondent is the appointed government interlocutor responsible for commenting on and giving government input to donor country strategy papers in the particular sector of responsibility.
4. Beneficiary Government Official 3 (16 October 2013). The respondent is a senior government official responsible for coordinating relations on behalf of his/her government with its donors. The respondent is the appointed government interlocutor responsible for commenting on and giving government input to donor country strategy papers.
5. Editor, Major Namibian Daily Newspaper (4 July 2014). The respondent is the editor in chief of one of the largest Namibia daily newspapers in the country.
6. DIRCO Official (4 March 2014) The respondent is a senior diplomat and policy maker for South Africa's Department of International Relations and Cooperation (DIRCO). The respondent has been responsible for developing and justifying South Africa's policy and strategy towards developing the South African Development Partnership Agency (SADPA).
7. Donor Official 1 (12 August 2015). The respondent is a country representative of a major bilateral donor who was at the time of interview designing the donor's medium term

development strategy for the beneficiary country he/she was posted to in one of the case-study countries.

8. Donor Official 2 (13 May 2014) The respondent is a senior donor official in a major grant making donor who was at the time of interview contributing the governance, organisational capacity building and human rights components to the donor's medium term development strategy for the beneficiary country he/she is posted to one of the case-study countries.
9. Donor Official 3 (13 May 2014) The respondent is a senior donor official in a major grant making donor who was at the time of interview responsible for formulating the analysis and draft strategy for the donor's country strategy for programming aid to the beneficiary country. The respondent was also responsible for coordinating with other donors on their country strategy making and acting as the key interlocutor with the beneficiary government on programming. He/she is posted to one of the case-study countries.
10. Donor Official 4 (15 March 2013) The respondent is a country representative of a major bilateral donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted to in one of the case-study countries.
11. Donor Official 5 (11 September 2014) The respondent is a country representative of a major grant making donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted to in one of the case-study countries.
12. Donor Official 6 (11 September 2014) The respondent is a representative of a major grant making donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted to in one of the case-study countries and was responsible for sector programming related to governance, democratisation and rights.
13. Donor Official 7 (11 September 2014) The respondent is a representative of a major grant making donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted in one of the case-

study countries and was responsible for sector programming related to agriculture and rural development.

14. Donor Official 8 (14 March 2013) The respondent is a representative of a major grant making donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted in one of the case-study countries and was responsible for sector programming related to public financial management, general and sector budget support.
15. Donor Official 9 (11 September 2012) The respondent is a representative of a major grant making donor who was at the time of interview designing the donor's medium term development strategy for the beneficiary country he/she was posted in one of the case-study countries and was responsible for sector programming related to private sector development, civil society and government institutional capacity strengthening.
16. Donor Official 10 Interview (8 January 2014) The respondent works as a senior official/head of administrative unit responsible for ensure the quality control of a grant making donor's country strategies for beneficiary countries on a global basis.
17. Head of a Namibian Gender Rights NGO (1 July 2014) The respondent manages a gender rights non-governmental organisation in Namibia. The respondent is regularly involved in consultations and design of donor projects in the HIV/AIDS sector largely because transmission is linked to risky behaviours that are too frequently based on exploitation and/or abuse of women in one way or the other.
18. MoHSS 2014 Respondent 1 (26 June 2014). The respondent is managing a unit in the Ministry of Health and Social Services (MoHSS). The unit concerned monitors implementation of the government's HIV/AIDS programming and is involved in ensuring coordination and design of projects in the sector with international development partners and specifically USAID.
19. MoHSS 2014 Respondent – Information Directorate (3 July 2014). Official is responsible for maintaining the Ministry of Health and Social Service's national health database and is thus closely connected with USAID's institutional strengthening programming that emphasises repackaging national statistics on HIV/AIDS to include as an evidence base in policy making.

20. Namibia Consultant (July 8, 2014). The respondent is a consultant that managed the development whilst also doing much of the final drafting of the *National Development Plan*. The respondent also advises one of the bilateral donors in developing its country programmable aid (although not USAID).
21. Namibian HIV/AIDS NGO (July 7 2014). The respondent is a project manager in a Namibian NGO that is a recipient of USAID funding to provide institutional strengthening in the HIV/AIDS sector.
22. Namibian Journalist, Windhoek (3 July 2014). The respondent is a journalist, consultant and teacher of journalism at one of the tertiary education institutions in Namibia.
23. Pepkor Interview (17 December 2014) The respondent was responsible for Pepkor's expansion of retail stores in Southern Africa. Pepkor is a low cost South African retailer of apparel although in Southern Africa they brand themselves as targeting middle and upper income consumers.
24. PIOJ Jamaican Ministry of Finance Donor Coordination Official (14 August 2014 interview by phone). The official interviewed is responsible for developing Jamaica's national aid policy and strategy, structuring and ensuring policy dialogue and organising annual high level consultations with international development partners.
25. Retailer Unnamed (December 4 2014) The respondent was responsible for a major supermarket's expansions into Southern Africa. The respondent was also responsible for ensuring supply and logistics networks such as in stocking the retailer's stores in Southern Africa but also in accessing the wholesale market.
26. South Sudan Ministry of Finance (November [exact date mistakenly not noted in interview records] 2011) The respondent heads a unit in the government that coordinates donor assistance to South Sudan. The official had no objection to being named but the name is withheld anyway as anonymity was promised regardless. The interview included participate of two seconding UK financed public financial management experts, the one of which was revising the government's national wage structure and the other of which was responsible for the medium term budgetary framework and even proposing national

budgets to the Minister of Finance. Notably in South Sudan, the lack of numerate and qualified senior officials meant that many sensitive functions (such as those mentioned) that donors would otherwise be excluded from were performed by donor financed experts rather than government officials themselves.

27. Southern Think Tank (12 February 2015). The respondent is a senior researcher at a 'Southern'/developing country think-tank who also had experience working with international donors and the United Nations system on translating international policy commitments into county strategies particularly in relationship to peace-building, conflict and security management in development cooperation.
28. Southern/US Think Tank (24 June 2014) The respondent is a senior researcher at a 'Southern'/developing country but largely US funded think-tank that also implements major donor contracts (larger than ZAR50 million). The respondent was working with an international donor on elaborating its beneficiary country strategy in one particular sector. The respondent is working on one of the countries of the case study.
29. UNDP Senior Advisor (12 October 2015) The respondent is a senior advisor to a beneficiary government ministry of finance. The adviser is financed through a multi-donor fund but contracted directly to the United Nations Development Programme.
30. USAID Official (4 July 2014). The official interviewed is part of the team for programming and managing HIV/AIDS funds to Namibia.
31. USAID Contractor (11 July 2014). The respondent is a contractor to USAID on providing technical support for the institutional strengthening components for the HIV/AIDS sector.
32. US Government Official (11 July 2014). The official interviewed is part of the team for managing the US government's communication and advocacy strategies in Namibia.
33. US Think Tank (23 January 2014). The respondent is a director working for a US based development think tank and implementing organisation. The respondent works mainly on implementing and lobbying for international commitments to human rights and democratic governance as part of US country programmable aid but also in relationship to other major

donors such as the EU and UK. The respondent also had significant experience at the donor country strategy/priority setting level in two of the case-study countries.