



Reflections on the Paris Declaration and Aid Effectiveness in Afghanistan

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Introduction

The issue of aid effectiveness in Afghanistan is high on the agenda of the Government of Afghanistan (GoA), the international community and other development actors. Despite this, aid is widely criticised for being ineffective. Criticisms stem from perceptions that the impact of assistance has been limited, that the security situation is deteriorating, and that funding and resources are either being mismanaged or misappropriated. When development actors, particularly donors, talk about aid effectiveness, they are often referring to the 2005 Paris Declaration on Aid Effectiveness and assessing whether aid to Afghanistan complies with its principles.

The Paris Declaration refers to the effective management of aid at high levels through mechanisms agreed between the donors and the recipient government. This paper discusses its limitations and the challenges of applying the Declaration's principles for aid effectiveness in Afghanistan. It maintains that although the five principles of ownership, alignment, harmonisation, managing for results and mutual accountability should be upheld, these alone are not sufficient to achieve aid effectiveness. This is because the Declaration is technically orientated, does not take into account the political dimension of

aid, and is designed to guide development assistance and not relief and stabilisation efforts.

The Declaration has led to a focus by the international community on the processes of managing aid rather than on the impact of aid. In addition, the Paris Declaration, and other international agreements, hold development actors to processes that may not be the best approach given the challenges the Afghan context poses. These include: continued insecurity; lack of national and international capacity; multiple and often incompatible agendas; unclear goals; blurred lines between military, humanitarian and development interventions; widespread corruption; and a lack of coordination.

This note begins by briefly discussing the Paris Declaration and the challenges to initiating effective development processes in Afghanistan. To illustrate the impact of the challenges on the different aspects of aid effectiveness, the paper is organised around the five key principles of the Paris Declaration. This serves to highlight some of the challenges and limitations of the Paris Declaration framework.

The Paris Declaration: Limitations and Challenges

The Paris Declaration specifies indicators against which donor and beneficiary countries should measure their progress in achieving the five key Declaration Principles. The 2008 Survey on Monitoring the Paris Declaration reports that Afghanistan and its donors scored low for ownership and managing for results, moderate for alignment and harmonisation, and high for mutual accountability.¹ However, the indicators used are narrow and bureaucratic and do not take into account the political dimensions of aid² or assess the quality of aid and its impact

This policy note summarises a discussion paper of the same name by Rebecca Roberts (Kabul: AREU, April 2009). Analysis is based on document review and data from senior international and national actors involved in the management of aid in Afghanistan. Interviews were conducted and meetings attended in Kabul in 2008 and 2009. Extracts were selected by Emily Winterbotham.

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¹ "2008 Survey on Monitoring the Paris Declaration. Effective Aid By 2010? What it Will Take," Vol. 2 Country Chapters (2008 3rd High Level Forum on Aid Effectiveness, Accra, Ghana, 2-4 September 2008).

² Stefan Meyer and Nils Sjard Schultz, *Paris to Accra: Building the Global Governance of Aid* (Madrid: Fríde, August 2008), 16.

on the ground. Development efforts seem to be distracted by the processes and mechanisms. There is growing recognition that the Paris Declaration in its present form is technocratic and fails to address the complexities of aid or to demand partnerships between donor and recipient governments that are more than bureaucratic relationships.³

Another limitation of the Declaration is that the principles are intended to be applied to development aid. In Afghanistan, the complex security situation and ongoing humanitarian concerns, such as drought and food security, mean that a significant proportion of assistance is instead for stabilisation activities in insecure areas, or relief to vulnerable groups. Both need to be implemented much more quickly and differ from development in their immediate aims. Some actors argue that relief and stabilisation fall outside the development assistance umbrella and therefore outside the Paris Declaration.

Despite the limitations, many international actors in Afghanistan emphasise that the principles of the Paris Declaration should be upheld. They also believe that the Declaration has led to improvements in the management and delivery of aid and increased donor awareness of best practices. At the same time, international actors acknowledge that delivering assistance in Afghanistan is a politicised process that cannot be managed solely through applying the Paris Declaration principles. In addition, some actors state that the Paris Declaration indicators to measure aid effectiveness are not useful and do not provide a real measure for aid effectiveness. The following discussion briefly outlines some of the challenges to applying the five Paris Declaration principles.

1. Ownership

The Paris Declaration advocates that countries receiving development assistance should “exercise effective leadership over their development policies, and strategies and coordinate development actions.”⁴ National ownership ensures that development interventions meet the needs of the people and are appropriate.

Ownership can mean different things to different people in different contexts. The Paris Declaration focuses on government ownership, which does not necessarily lead to national ownership, particularly if the links between the people and the government are weak. To have ownership of development processes,

so that they are planned, managed and implemented according to the country’s needs, there has to be national capacity. Lack of capacity in Afghanistan at the national level among government officials, ministries and civil servants has the greatest impact on the management of aid. This is compounded by the practice of keeping decision-making at the highest level. Consequently, senior staff are overwhelmed by their work. The unwillingness of lower-level staff to take initiative due to inexperience or fear makes this worse.

Another issue challenging national ownership is the prominence of external influences. What does it mean for national ownership when the development methods and approaches are determined externally and the international community imposes conditions on assistance? For example, to qualify as a Heavily Indebted Poor Country (HIPC) eligible for debt relief, a country must produce a Poverty Reduction Strategy Paper (PRSP). Although it was argued publicly that Afghanistan’s PRSP, the Afghanistan National Development Strategy (ANDS), was an Afghan document, there were a lot of negotiations behind the scenes as the international community tried to shape the ANDS into what it required.

2. Alignment

The principle of alignment in the Paris Declaration asks donors to “base their overall support on partner countries’ national development strategies, institutions and procedures.”⁵ However, countries in receipt of development aid typically face political problems, so alignment is likely to be politicised.

In Afghanistan, international actors have to perform a delicate balancing act by trying to offer practical support at the same time as maintaining their distance and providing constructive criticism. This is difficult to achieve in governance reform. The creation of the Independent Directorate of Local Governance (IDLG) by the GoA was in response to donor demands that subnational governance structures and procedures be strengthened and clarified. However, the IDLG is increasingly perceived as a political tool of President Karzai.⁶ By funding IDLG, international actors could be supporting the regime rather than development processes. However, by not supporting IDLG, donors are ignoring efforts by the government to improve subnational governance and are failing to align their policies.

³ Meyer and Schultz, *Paris to Accra*, 16.

⁴ *Paris Declaration on Aid Effectiveness* (High Level Forum, 2005 Paris, 28 February - 2 March 2005), 3.

⁵ *Paris Declaration on Aid Effectiveness*, 4.

⁶ Author interview, informed international observers, Kabul, 2008.

GoA capacity to manage large amounts of funding is perceived as weak and allegations of corruption are widespread. Donors are therefore not prepared to provide direct budget support. World Bank figures suggest that around two-thirds of development assistance is spent outside the GoA budget.⁷ This limits government ownership and control over development funding and processes. The creation of the Afghanistan Reconstruction Trust Fund (ARTF), managed by the World Bank, offers a compromise.⁸ However, although donors are not allowed to set conditions on funds managed through the ARTF, they are able to express preferences for how funding should be distributed. Some areas are subsequently underfunded and the Ministry of Finance's ability to manage its own budget is undermined. Consequently, levels of alignment and national ownership are reduced. The failure to address corruption in the government and public sector, and the lack of progress in public administration reform, has damaged the credibility of the GoA and donors among the Afghan population.⁹

3. Harmonisation

The Paris Declaration advocates the harmonising of donors' actions to be "collectively effective."¹⁰ Currently, the GoA lacks the capacity to take responsibility for managing assistance.¹¹ According to the Declaration guidelines for delivering effective aid in fragile states, "Harmonisation is all the more crucial in the absence of strong government leadership" and donors should commit to harmonising their activities.¹²

Although some experienced development actors argue that the Paris Declaration has contributed to improved donor coordination, many also argue that there is still a lack of coordination, which is reducing aid effectiveness. In the absence of government leadership, the United Nations Assistance Mission in Afghanistan (UNAMA) might be expected to lead on harmonisation. Donors state they are ready to

⁷ World Bank Group, "World Bank Urges Improvement in the Effectiveness of Development Spending in Afghanistan" (3 June 2008).

⁸ The Afghanistan Reconstruction Trust Fund is a multi-donor trust fund managed by the World Bank. Donor funding is pooled to finance recurrent expenditure in the Afghan government and investment projects.

⁹ The World Bank Group, "World Bank Urges Improvement in the Effectiveness of Development Spending in Afghanistan."

¹⁰ *Paris Declaration on Aid Effectiveness*.

¹¹ Author interview, Kabul, August 2008.

¹² *Paris Declaration on Aid Effectiveness*, 7.

support UNAMA, but the mission is often criticised for being weak and lacking staff and resources.¹³ UNAMA, however, argues that it already has a central leadership and coordination role.

The lack of coordination is exacerbated by the number of actors involved in development, all with different mandates, including: the GoA, donors, the United Nations, international and national NGOs, private companies and the International Security Assistance Force (ISAF) through the Provincial Reconstruction Teams (PRTs).¹⁴ Some informed observers feel that the international presence in Afghanistan has become so large and complicated that it is almost impossible for anyone to have an effective overview. In addition, there are "real political differences among the international actors in Afghanistan" about prioritisation and sequencing of activities.¹⁵ This has complicated the situation, blurring the lines between humanitarian, development, political and military activities. Given the number of actors and agendas, is it possible, even with a strong coordinating body, to achieve harmonisation?

There is concern that without coordination, assistance will further fragment because the government cannot coordinate it. A trend that could lead to the fragmentation of aid is the concentration of major donor funds in their areas of military and PRT operations rather than channelling funding to Afghanistan centrally.

4. Managing for results

According to the Paris Declaration, "Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making."¹⁶ The international assistance effort in Afghanistan is often not motivated purely by humanitarian concerns, but by a variety of international and domestic political and security considerations. International actors are distracted by fighting in parts of the country and the influence of regional powers. Consequently, the effective delivery of aid is often secondary to other aims. Security is needed to maximise the impact of

¹³ Author interviews, Kabul, 2008-2009.

¹⁴ According to ISAF, PRTs are civil-military institutions which facilitate reconstruction and development activities in less secure areas of Afghanistan, HQ ISAF, "PRT Review" (July 2008).

¹⁵ Helge Lurås, Niels Nagelhus Schia, Stina Torjesen and Stale Ulriksen, "From Coherent Policy to Coordinated Practice: Are We Delivering Coherently in Afghanistan" (2008 Conference, Oslo, Norwegian Institute of International Affairs, 17-18 November 2008), 3.

¹⁶ *Paris Declaration on Aid Effectiveness*, 7.

aid, but currently the situation is reversed: aid is being used to support military and political objectives. Can aid be effective if assistance is not the primary aim?

Another challenge to “managing for results” is the lack of accurate information. Even basic statistics about Afghanistan, such as the size of the population, are lacking.¹⁷ There is always uncertainty of real needs after conflict because there is a lack of baseline data, poor access to remote areas and limited communications and mobility. Ongoing conflict reduces confidence in the potential peace, limits access to volatile areas and creates fear and mistrust among the people. Should development actors be making greater efforts to assess the needs of the people and to manage expectations? Would a more realistic approach that takes into account the practical challenges posed by lack of information improve development impact?

5. Mutual Accountability

“Mutual accountability” means that donors and recipient governments are responsible for development results.¹⁸ Mutual accountability is considered to be high in Afghanistan because there are mutual assessment mechanisms in place that fulfill the Paris Declaration requirements.¹⁹ However, it is unclear how the GoA can be accountable when the same Paris Declaration monitoring survey scored Afghanistan low for ownership.²⁰ How can a recipient government be accountable if there is little national ownership?

The different types of development interventions also challenge mutual accountability. International actors argue that mutual accountability is not possible for humanitarian activities because they have to be undertaken rapidly and there is not time to assess situations or the information to examine the impact accurately. Is there mutual accountability in the assistance delivered through the military and the PRTs, or is that classed as assistance for stabilisation or reconstruction, and therefore not covered by the Paris Declaration?

¹⁷ Thomas H. Eighmy, “Afghanistan’s Population - Settled, Nomadic, Displaced and Refugee: Their Numbers, Location and Ethnic Composition” (Boston: American Association for the Advancement of Science, Session on Afghanistan and Terrorism: World Transformation?, 16 February 2002).

¹⁸ *Paris Declaration on Aid Effectiveness*.

¹⁹ “2008 Survey on Monitoring the Paris Declaration, Effective Aid by 2010?,” 17.

²⁰ “2008 Survey on Monitoring the Paris Declaration, Effective Aid by 2010?,” 17.

Finally, is it possible to have true mutual accountability between multiple actors when the most important accountability relationship is between the donor governments and their taxpayers, rather than with the recipient country? Mutual accountability is praiseworthy but the complexity of achieving it in Afghanistan seems to have been overlooked.

Conclusion

There are many factors that limit the effectiveness of aid in Afghanistan that cannot be addressed within the framework of the Paris Declaration. This paper has highlighted a few of them. The principles of the Paris Declaration provide a foundation for aid effectiveness. However, there are key issues that need to be addressed at the policy level to enhance aid effectiveness in Afghanistan:

- **Prioritise Aid Effectiveness:** Aid effectiveness will only be maximised when it is a priority. Aid effectiveness is reduced when it comes second to military or political aims.
- **Address the Political Dimensions:** The technical nature of the Paris Declaration does not help development actors negotiate the complex political environment in Afghanistan. Political challenges and the limitations of the Paris Declaration must be acknowledged and discussed openly to advance the debate on aid effectiveness and improve the impact of aid in Afghanistan.
- **Recognise the Limitations:** The Paris Declaration focuses on development aid and is not necessarily applied to relief or stabilisation efforts. The lines between development, humanitarian and military actors and their interventions have become blurred. Action is needed to address these issues to enhance aid effectiveness and advance the debate on this subject in complex situations.
- **Measure Impact:** Adherence to the Paris Declaration does not ensure the positive impact of aid. The Declaration measures only adherence to its principles and not the effectiveness of aid on the ground. To achieve greater aid effectiveness development actors must look beyond monitoring the principles of the Paris Declaration and focus on impact and not just process.
- **Improve Information and Knowledge:** The Paris Declaration can be used as a framework to guide aid effectiveness but it does not compensate for the lack of basic data on Afghanistan. To ensure improved aid effectiveness, programmes must be developed using baseline data and needs assessments.