



# The New Aid Paradigm

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# The Dilemmas of the NAP: what prospects for human development in the new millennium?

- **Introduction: the emergence of a new aid paradigm**
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# Introduction: creating a culture of results

- A consensus seems to be emerging among the key actors of the international donor community that the success of development depends largely on the ability of development agencies and partner countries to improve the effectiveness of aid in reducing poverty.
- Growing pressure to demonstrate concrete evidence of the efficient utilization of dwindling official development assistance has encouraged aid agencies in recent years to focus on a new narrative of development that seeks to foster what the UNDP calls 'a culture of results' (UNDP 2007).

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- This was reflected in the introduction of a management strategy called 'Managing for Development Results' (MfDR) rooted in a commitment to achieving unambiguous results.
- The MfDR lays out a roadmap for restructuring aid programs in a way that allows institutions at different levels, national, regional and international, to shift the focus of aid away from inputs to results.

# Managing for Development Results: the arrival of RBM on the scene

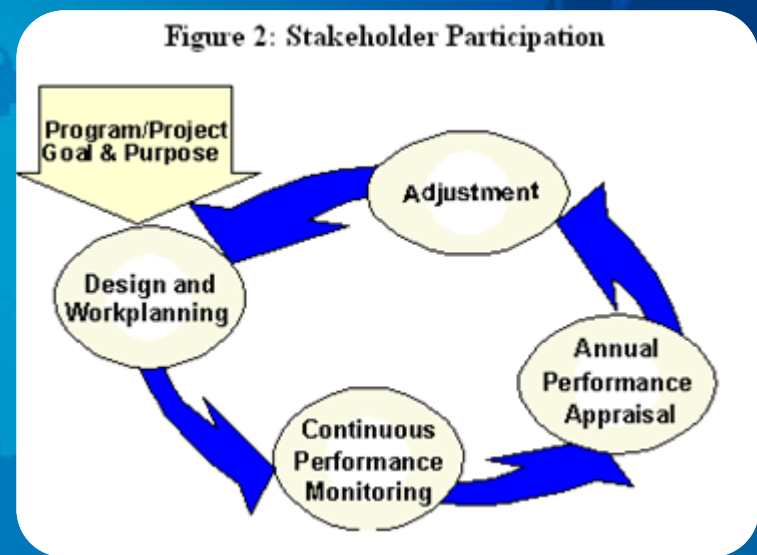
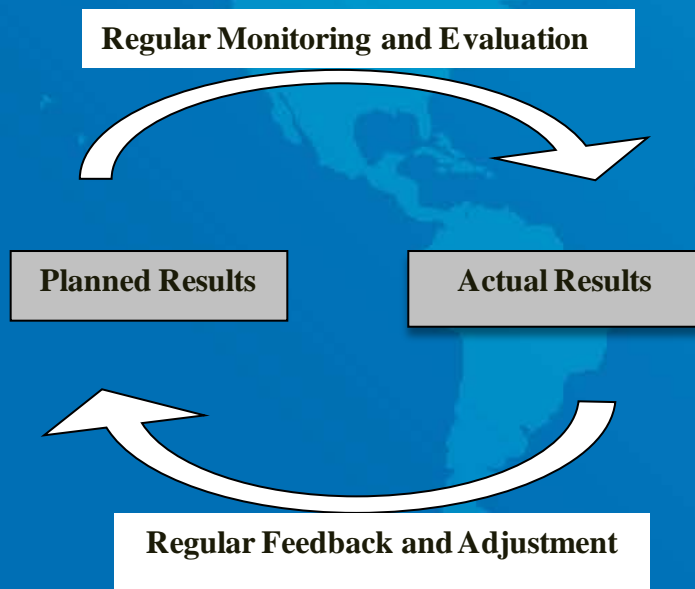
- The process of introducing a result-oriented management culture to development agencies and organizations began in the early 1990s when most industrialized economies were confronting the challenge of reducing their ever-growing budget deficits.
- Results-based Management (RBM), which was originated in the management sciences, suddenly became a popular choice for public agencies, including aid agencies, to use as the framework for development management.
- By mid-1990s, result-based management became, as the World Bank claims, “a fact of life for development agencies”.

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- According to CIDA, “a result is a describable or measurable change in state that is derived from a cause and effect relationship” (CIDA, 2008). As shown in figure 1, an RBM framework is often based on principles that promote performance-based planning, results-oriented management, and performance based evaluation (Amery, 2000).

# A simple structure of RBM

- Important to mention is that RBM is claimed to be a framework for effectively promoting participation of stakeholders in the entire process of development. The goal is to ensure that development actions reflect the hopes, needs, and priorities of different stakeholders.



# New Framework for Development-Cooperation: enhancing aid effectiveness through 'results'

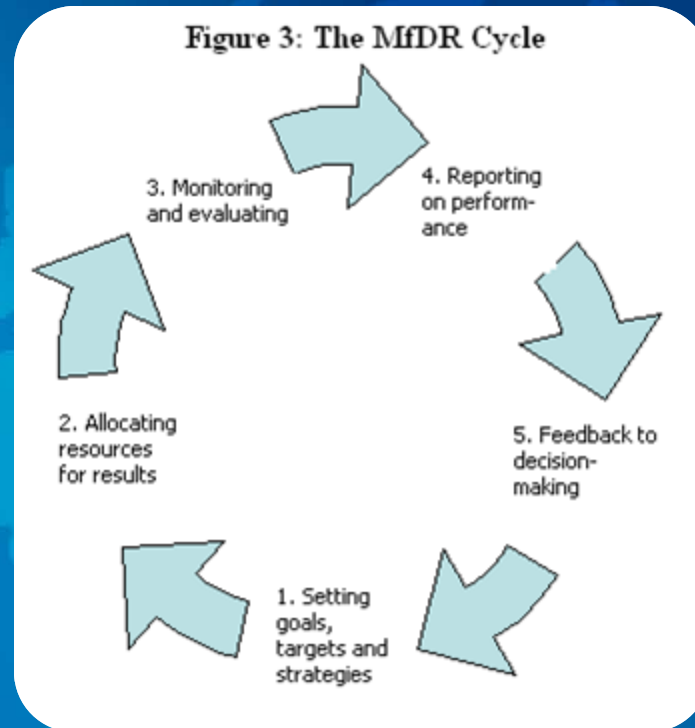
- The International Conference on Financing for Development in Monterrey, Mexico, in March 2002 provided the context for highlighting the connection between aid effectiveness and results.
- The Monterrey consensus on 'results' indeed marked the beginning of a new era in development co-operation as it called on developing countries and partners to make concerted efforts to build a culture of results where planners and managers are asked to integrate results into their project design, delivery and reporting practices.
- The 'second roundtable on managing development for results' was organized two years later in Marrakesh, Morocco, which aimed at constructing a new global aid architecture based on 5 core principles (MfDR cycle).



# The MfDR Cycle

- In brief, the MfDR cycle is aimed at constructing a new global aid architecture that reflects the changing mood of the international donor community.
- The current emphasis is clearly on restructuring aid policies in such a way that all stakeholders must work collectively to strengthen their capacity to achieve results.

Figure 3: The MfDR Cycle



# Results, Rational Planning, and Autonomous Development

- A new narrative of development, which focuses on a highly sophisticated, pure technocratic language of planning, monitoring and evaluation, seems to be dominating much of the development thinking in the new millennium.
- Increased emphasis on enhancing aid effectiveness has in effect brought the modernity discourse back into the picture of development by reinforcing the logic of scientific, rational planning for development
- What is interesting about the use of a technological rationality framework is that it encourages the technocrats and consultants to analyze technical and administrative aspects of a problem in isolation.

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- While their efforts are claimed to be ‘scientific’, in other words, non-ideological, non-political, and value free, overemphasis on quantitative measurements and technological rationality often make the process of planning and evaluation ahistorical which may deny the opportunity to explain development from a non-technocratic yet comprehensive perspective (Berman; 1983: 168).
- Excessive focus on results and rational planning allowed donors to subordinate politics and made the task of producing “progress reports” a meaningless exercise.

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- Although the (re)emergence of the technocrats, as the most important element of decision-making, seems to have helped partner countries to meet donor requirements, complete reliance on government bureaucracy and/or consultants for socio-economic directions has made the prospect for bottom-up, participatory development very uncertain.
- The technical-scientific orientation of results also seems to devalue the role of local organizations in creating a future for autonomous development. Civil society groups and local NGOs find the result narrative very dense and complex, full of technical terms, which even make the jobs of professionals very challenging.

# Conclusions: doing or bureaucratizing development?

- Increased emphasis on the use of performance indicators has turned development into a technocratic project in which bureaucratic/technocratic elites enjoy a great deal of power in policy-making.
- What is also evident is that the new aid paradigm on aid effectiveness diverts attention away from addressing the real problems of poverty to submitting technical reports to the donors and government agencies.