

**EFFECTIVENESS OF AID  
IN A REGION AT MULTIPLE TURNING  
POINTS**

**REFLECTIONS RESULTING  
FROM CIVIL SOCIETY  
CONSULTATIONS  
IN THE ARAB REGION**



### **About the producers of the report:**

The Arab NGO Network for Development (ANND) is a regional network working on three main issues in the Arab region; development policies, democracy and socio-economic reforms, and globalization and trade. ANND members include 7 national networks and 27 non-governmental organizations from 11 Arab countries.

#### Contact details:

ANND Executive Office

Al- Zuheiri Bldg. 4<sup>th</sup> floor

Wata El Musaitabi, Cola Area

P.O.Box: 5792/14, Mazraa: 1105 – 2070

Beirut, Lebanon

Tel: (961) 1 319 366

Fax: (961) 1 815 636

Email: [annd@annd.org](mailto:annd@annd.org)

Website: [www.annd.org](http://www.annd.org)

This report is a summary of the proceedings from the discussions held at the civil society preparatory consultations on aid effectiveness held in Bahrain, between 23rd and 27th of May 2008.

## Content:

### Key Issues of Concern within the Aid Discussion

#### Issues of Particular Importance for Civil Society in the Arab Region

I- On issues of conditionality, ownership, and sovereignty

I.a Conditionality

I.b Ownership

I.c Sovereignty

II- On transparency and the ability to access information

III- On the role of civil society

III.a On the relation of international civil society organizations and local ones

III.b Relations of civil society organizations to national governments

III.c Partnerships

IV- On Failures of aid:

#### Difference of perspectives between government representatives and civil society organizations

I. The understanding of the enabling environment and the kind of healthy relation that should exist between government and civil society

II. The kind of contribution to development that civil society can undertake

III. The legitimacy of civil society organizations

IV. On the role of regional Zakat and Awkaf funds

#### Recommendations

About the civil society consultation held in the Manamah, Bahrain

Annex: Recommendations by Civil Society Organizations from the Arab Region



## **Key Issues of Concern within the Aid Discussion**

- Better understanding and recognition of the various roles of civil society organizations as development actors and as part of the international aid architecture
- The applicability and limitations of the Paris Declaration
- The understanding of civil society organizations to core principles used within the Paris Declaration, including conditionality, ownership, and sovereignty
- Good practice in the aid policy making and implementation
- The relation of local civil society organizations with their international counterparts
- The role of civil society organizations with governments
- The relation of civil society organizations with donor agencies
- The inter-linkage of the aid agenda with the political agenda
- The context in which aid is received, how it is received and in what form, how it is managed, who is benefiting from it, and what the local communities are giving in return to receiving this aid.

## **Issues of Particular Importance for Civil Society in the Arab Region**

Consultations on aid effectiveness in the Arab region revealed a few points of major concern for civil society in the region, including:

- Concepts presented by the Paris Declaration (conditionality, ownership, sovereignty);
- Transparency and ability to access information;
- The role of civil society and its relation to governments and to international civil society organizations;
- The notion of partnerships;
- Failures of aid.

I- On issues of conditionality, ownership, and sovereignty:

### ***1.a Conditionality:***

Analysis on conditionality should take into consideration that we live in a world that is dominated by liberalization models, whereby the whole context in which aid flows needs to be addressed. For conditionality on aid could be exploited to become a means of taking over sovereignty. Such conditionality negatively affects national democratic processes.

**Instead of conditioned aid, there is a need for a partnership framework that is based on democratic governance. The basis of this partnership would be participatory and mutual responsibility towards impacts and results. This partnership distinguishes between policy conditionality and sound and common practice. It sets a transparent contractual relation, with responsibilities on both parties, and secures the ability to question both parties for common and similar commitments. This would lead to a balanced relation based on dialogue and real mutual responsibility.**

For example; in the case of the EU and the Arab countries, it would be demanded that both parties agree to the same indicators of accountability (such as how the EU deals with the rights of immigrants and how the Southern partner countries deal with their human rights responsibilities).

### ***1.b Ownership:***

Ownership should be about broad democratic ownership that involves various stakeholders and in which civil society organizations are actively participating. It should not be limited with the ruler or government of a country. Parliament, judiciary, national audit offices and civil society have a major role in enhancing ownership.

Yet, the concept of ownership in the Paris Declaration remains distorted. It links the national development plans to an approval from the World Bank, in a time that the Bank's interventions are highly criticized for promoting economic liberalization without taking into consideration local realities and priorities.

**One of the necessary steps towards enhancing ownership is making the system of consultation with civil society a standard mechanism in all stages of formulation, implementation, design, and evaluation of aid policies.**

### ***I.c Sovereignty:***

The issue of sovereignty and ownership is a double edged sword in the Arab region. It is used by Arab governments to limit the scope of civil society's role; these governments open the doors to foreign actors and donors, while at the same time they monopolize foreign aid and tend to put limits on the ability of civil society organizations to receive it. Furthermore, these governments use that support to enhance their control over the national context and civil society spaces.

**Accordingly, it is necessary to create democratic mechanisms alleviating the local governmental control over civil society and enhancing national sovereignty on decision-making processes.**

### **II- On transparency and the ability to access information:**

The right to access to information and the transparency of information about aid are at the heart of ability to achieve any progress on aid effectiveness. The Millennium Development Goals (MDG) 8 tackles aid quantity and quality and the necessity of transparency and accountability. However, these considerations remain with no indicators, which make them hard to monitor and enhance. **Transparency cannot be achieved through a law on access to information; sound implementation of such laws should be monitored.**

**Accordingly, there is a need to elaborate indicators and standards facilitating the monitoring processes in this regards.**

**In addition, the transparency of the aid process necessitates transparency and accountability of civil society organizations in dealing with the aid they receive, and that of donors who should make available information from their side and in languages that is accessible.**

### **III- On the role of civil society:**

Civil society organizations in the Arab region operate in a complicated context in which many are still fighting for their right to exist and to act independently. Moreover, the role of civil society in many countries is often limited to service provision and capacity building, while it remains weak on active advocacy and monitoring, and lacks an active role for unions and social movements.

Addressing effectiveness of aid necessitates that civil society organizations take a more active role in policy work and monitoring over aid processes, which necessitates freedom and ability to access information. Such monitoring efforts should measure how much aid serves national development goals. Developing more experience in monitoring aid processes is core to the ability to advocate for reform in these processes.

**Within this process, the ability of civil society groups to work more closely with the public, more effectively together, and to produce more indicative research takes on high importance. Accordingly, it is of added value to investigate the possibility of achieving tripartite partnership with the private sector and the public sector (including parliament).**

The legitimacy of civil society stems from the coming together of a group of people with a certain interest and vision, and acquires strengths from diversity and ability to enhance participation in society. Legitimacy necessitates preserving effective governance in operations and expertise.



### ***III.a On the relation of international civil society organizations and local ones:***

The relation between international organizations operating at the national level and national civil society organizations is often distorted and problematic. When international civil society groups come to operate at the national level, they often operate as donors and allocate a big portion of the budgets to their administrative processes.

Many donor agencies are opening regional bureaus that implement programs and often take over the role of national organizations. Accordingly, the experience that is meant to be transferred to the region is not achieved. They even tend to compete with local civil society actors, which often create tension and unhealthy relations between them. In some cases, some UN agencies are also increasingly competing for funds with civil society organizations and overtaking the latter's role.

In times of crisis, much of the inefficiency of international organizations stem from their neglect to consider the advices of the national civil society groups. For example, in the case of Lebanon during the war period in 2006, the expenses of staff in international non-governmental organizations were very high. They acted as fund hunters and they duplicated work in many areas. Moreover, aid was mainly going towards relief while not taking into consideration sustainability, human rights concerns, and gender issues. In relation to this matter, it should be noted that several international agencies set contingency plans with a very limited consultation process, and fail to undertake a comprehensive consideration of local experiences.

In the case of Iraq, many international donors fail to be transparent and work with civil society groups on the basis of the latter's political positions and sectarian affiliations.

While many governments in the region facilitate the local operations of international organizations,

they put limitations on the role and operations of national organizations. Accordingly, groups could benefit from exploring cooperation and alliances on addressing that matter.

### ***III.b Relations of civil society organizations to national governments:***

The relationship of civil society organizations to governments in the Arab region witnesses a series of problematic: (1) most governments in the region set barriers on the ability of civil society groups to receive aid (2) most Arab countries lack a healthy framework that regulates the relation between civil society organizations and the state and thus lacks an enabling environment for civil society (3) the despotism/ autocratic approach of the state limits the work of civil society on all levels (4) some governments establish organizations that claim to be independent civil society actors while they are merely cosmetic (5) governments in the region often welcome civil society groups and international organizations when they are working on economic development; yet, when it comes to human rights and democracy, there is a skeptical perspective on their role.

Within this context, official registration of civil society organizations in countries like Sudan, Egypt, Jordan and several others, which is a pre-requisite for receiving funding, could indicate in several circumstances that these groups could be co-opted by governments and not really independent actors. Moreover, often non-governmental groups that are headed or supported by a relative of a head of state tend to attract more donor money, which limits funds going to more independent and progressive groups.

**There is a need in the Arab region for a discussion around the role of the state, on which a clearer discussion of the relation of the state to foreign aid would be developed. This is a pre-requisite for discussing possible partnership**

between governments and civil society.

Moreover, there is a need for frantic dialogue with donor countries and agencies, whose aid is in fact indirectly going to support the status quo in which autocratic governments limit the role of civil society.

There is a big question mark around the adequateness of a relationship with funds that are established by people in governments or governing royal families, especially since often these organizations oppose the policies of the latter. Such relations could limit civil society's ability to address certain policy issues. This necessitates demand for more clarity in the processes of aid giving by regional Arab funds and foundations, and adoption of the development and human rights approaches.

### ***III.c Partnerships:***

Partnerships between organizations from the South and the North carry on a special importance in the process of monitoring aid and advocating for better aid.

The ability to work together in a successful and effective partnership necessitate that partners agree to common criteria of evaluating targets and same conceptions and understandings of the issues worked on. It is necessary that partnerships be needs-driven and not supply-driven; accordingly it should be based on what local organizations perceive as priority at the national level.

Moreover, working in partnerships to reform the aid processes could benefit from linking the work of organizations concerned with political and civic rights to those working on economic social and cultural rights.

**Sustainable partnerships between Northern and Southern groups necessitate asserting the added-value of Southern civil society groups in the context of the partnership. Indeed, Southern partners need to prove their capacities, human resources, knowledge, products, and vision for alternatives**

**to secure. They also should receive support, if needed, to build such capacities that could enable them to play active role as partners.**

#### **IV- On Failures of aid:**

There are several problematic that often lead to aid failure, including:

- Linking aid to foreign policies and political conditionalities related to 'war against terrorism', which harms donor-recipient relations and limits the affectivity of aid. Many donors treat aid as an instrument of short-term policy interest, such as promoting free trade or military interests, and not long-term peace and development targets.
- The continuity of conflicts renders it impossible to achieve sustainable development through aid. The case of Palestine is a clear manifestation of this reality. Occupation and lack of security sets the framework of aid distribution. For example, if a school built through foreign aid money is bombed by the occupation's military, the donor country is always ready to give another grant or loan to rebuild the school, while refusing to take on any political denunciation step against the military act.
- Lack of balanced and constructive cooperation and coordination between various monitoring and administrative institutions involved in the aid processes at the national level.
- Limited capacities to monitor the aid allocations within national budgets and the overall alignment of national budgets with development and human rights objectives. For example, Yemen receives significant aid money from Saudi Arabia and other countries in the Arab region; yet it is very hard to access information on how this money is being used at the national level. Much of this aid ends up outside national budgets and used by government officials that have relations with donor countries.

- Inadequate calculation of capacity building programs as part of the received official foreign aid, although these programs are often unsuitable to the needs at the national level. In fact, such allocations are often recycled in the donor country and do not benefit the supposedly 'recipient' country.
- Gap between the issues promoted by donors through aid allocations, such as better relations between civil society organizations and governments, and the reality of possibilities and opportunities at the national level. Such allocations are often rendered ineffective.
- Lack of mapping of donor money and where it goes, which often leads to overlap and conflict in their activities. The severe differences in approaches and traditions among donors are expected to render such needed alignment between them difficult.
- The global system and trade relations, especially the distorted subsidy system and dumping measures, which lead to flight of resources and opportunities from developing countries.

## **Difference of perspectives between government representatives and civil society organizations**

**I. The understanding of the enabling environment and the kind of healthy relation that should exist between government and civil society:** Governments often perceive that they are doing their task through providing financial resources, such as office locations and training to civil society groups. On the other hand, civil society groups perceive that when the law of association is restrictive on the freedom of groups to receive funding, then this context creates for them obstacles and hinders their activity. They perceive as well that ministries often overtake the role of civil society organizations through undertaking implementation of capacity building and training programs (observation based on discussion with the representative of the Bahrain Social Development Ministry).

**II. The kind of contribution to development that civil society can undertake:** It is clear that the role that governments perceive for civil society is limited to service provision, while their willingness to accept a civil society role in policy engagement (strategy, implementation, monitoring, and evaluation) is limited.

**III. The legitimacy of civil society organizations:** Governments often perceive that the work of civil society organizations lack sustainability and cannot be held accountable. Consequently, they perceive that foreign aid should be handled by governments, which are questionable by the public and can be held accountable on the longer term. On the other hand, civil society groups perceive that they have a core added-value in reflecting the local needs and priorities and can be more effective in project implementation (observation based on discussion with the representative of the Ministry of Planning from the Palestinian Authority).

**IV. On the role of regional Zakat and Awkaf funds:** Governments perceive that the national and regional Zakat (charitable donation) and Awkaf (religious endowments) represent opportunities for vitalizing local support for civil society work and enhancing independence from external aid. Civil society groups on the other hand are very skeptical about who controls these institutions, which they perceive as being often controlled by the regimes in power or the religious institutions. Accordingly, these funds set their policy orientations based on religious identity and not programmatic efficiency.

## **Recommendations**

On the way towards better aid in the Arab region;

- A few recommendations from the perspective of governments in the Arab region (based on interventions from official representatives from the Bahraini government, Jordanian government, and the Palestinian Authority):

Part of working towards better aid necessitates unveiling the foundations of the five principles in the Paris declaration, which is necessary to enhance ownership of these documents by both developed and developing countries.

Moreover, part of the efficiency of aid rests on the ability of national governments to be clear on their priorities and policy orientations in national development policies. As long as they remain vague in their plans, then donors would have space to introduce their own agendas at the national level. Through better planning, governments would be able to limit and regulate the received technical assistance programs according to the identified needs.

Aid policy could aim at achieving better and more effective aid in the short and medium terms, but should look towards independency from aid on the long term. This necessitates the mobilization of local and national resources, which in turn needs the adoption of national policies towards equal redistribution of wealth, while addressing the problematic of debt relief and establishing a fairer trade system.

Within such framework, a partnership with the civil society community necessitate from the latter effectiveness and accountability in their programs and operations.

➤ A few recommendations from the perspective of civil society organizations:

Any progress on achieving the Paris Declaration necessitates common, participatory, and transparent mechanisms that require all concerned entities to apply associated criteria and goals. These include effective mechanisms for monitoring and following-up on the implementation of aid pledges. Impact and performance indicators, that are adequate to local environments, should be associated with such mechanisms, taking into consideration gender equity dimensions as well as anti-corruption measures. Moreover, any conditionality to be associated with aid agreements should only address

mutual responsibility towards human rights and sustainable development. Aid should not be used to justify aggression, occupation, or domination over national resources.

Charity-based aid should take upon a more development-oriented policy approach. Moreover, aid should be evaluated by its impact on strategic national development goals, social justice, human rights, and gender equity (including bridging the gaps of access to basic services between women and men). Better aid should serve human resource development and capacity building, and empowerment of local communities through supporting productive sectors in the region, especially agriculture. Such aid should focus as well on enhancing the role of women in the agricultural sector.

Specificities of developmental and humanitarian work during conflicts should be taken into consideration as well; it should be linked to the developmental process through building a comprehensive vision that attends to conflict resolution, as well as just and comprehensive peace building.

Re-granting entities have a double identity; they should be addressed by the Paris Declaration and be subject in their operations to the principles outlined above. So should be the case with the regional and national funds, including the religious affiliated Awkaf and Zakat funds and the other newly emerging governments and development/specialised funds and foundations. This proliferation of private funds should be mapped in order to avoid duplication and complicated management on behalf of recipients.

Any tripartite partnership to be developed by civil society necessitates the adequate legal, political, and administrative environment that secures the independence of civil society. For that matter, the right of access to needed information on aid is necessary to activate participation of all entities, including civil society. Through such processes, governments would be held accountable



to sound and gendered national budgeting. In addition, such partnerships necessitate the strengthening of social responsibility as key for involving the private sector in the development processes.

**Please find attached a removable annex of the detailed recommendations adopted by civil society groups participating in the meeting.**

## **About the civil society consultation held in the Manamah, Bahrain:**

Called for by the Arab NGO Network for Development (ANND), in partnership with the Arab Civil Society Commission- League of Arab States, and in cooperation with the Reality of Aid Network, the Canadian International Development Agency (CIDA), and the Bahraini Association for Human Rights (BAHR), a group of civil society held a regional meeting in preparation for the Third High-Level Forum (HLF) on Aid Effectiveness in Manama-Bahrain between the 23rd and 27th of May 2008. The meeting was attended by a total of around 100 participants from sixteen Arab countries (Saudi Arabia, Qatar, Yemen, Oman, Kuwait, Bahrain, United Arab Emirates, Iraq, Palestine, Jordan, Lebanon, Egypt, Sudan, Algeria, Tunisia and Morocco), including civil society groups, developing countries governments, donors, and resource persons. In addition, participants included representatives of international and regional networks (Reality of Aid Network, Social Watch, Eurostep, OECD, Montreal International Forum, Habitat International Coalition Bank Information Center, International Federation of Arab Workers, and Islamic Relief), as well as regionally-active international partners such as Diakonia (Sweden), Oxfam (UK), Canadian International Development Agency, and German Agency for Development (GTZ).

**Regional Civil Society Consultations  
on Aid Effectiveness  
Recommendations by Civil Society Organizations  
from the Arab Region  
May 24 - 27, 2008**

Participants express their appreciation of the efforts exerted by countries and international donor agencies to formulate mechanisms that contribute to financing development and supporting developing countries in realising MDGs. They also appreciate the invitation of civil society representatives to organise a parallel process to the HLF III in Accra next September.

Participants also support efforts within the framework of the Accra Forum and look forward to actively participating in it.

The outcomes of this meeting, as well as those of the Forthcoming forum in Accra, are to be submitted to the “Arab Summit for Economic and Social Development” organised by the league of Arab States in Kuwait in January 2009, in coordination with Civil Society Council-League of Arab States.

In addition, participating civil society organizations thank the Advisory Group and the International Steering Committee for their support by providing resources, documents and working papers, and by participating in the regional meeting.

Participants stress the importance of strengthening cooperation with the civil society as a major partner in the development process. They also emphasise that concurrence among democracy, justice, peace, development, fighting poverty and gender equity within the framework of aid is important, as it defines the latter’s success and effectiveness.

At the end of the meeting, participants issued the following remarks and recommendations:

1. Paris Declaration lacks a vision that is based on human rights and democracy at the level of aid, a fact that might aggravate economic and social crises. Participating organisations thus stress that aid effectiveness should be measured through the ability to achieve the MDGs and national development goals, taking into consideration harmonisation between aid processes and results on one hand and social justice, gender equity and human rights on the other.
2. Mechanisms that ensure the implementation and the follow up of Paris Declaration, which require all concerned entities to apply associated criteria and goals are absent. Hence, effective participation and transparency mechanisms ought to be developed and adopted with the revised Paris Declaration.
3. Specificities of developmental and humanitarian work during conflicts should be taken into consideration, as well as the pivotal role played by national civil society organisations in this respect. Besides, relief is to be linked to the developmental process through building a comprehensive vision that attends to conflict resolution, just and comprehensive peace building, and civic peace in the Arab region. Within this context, partnerships between international relief agencies and local civil society organization should be also ensured.
4. The importance of strengthening democratic ownership that is realised through the participation of concerned entities in the development process should be stressed and set at the core of the aid effectiveness processes.
5. The right of access to information in order to activate the participation of all entities, including civil society should be secured. This involves establishing an effective mechanism to ensure recognising this right.
6. The legal, political and administrative environment that enables civil society and strengthens their independence should be provided, ensures aid effectiveness, contributes to achieving MDGs, and thus supports the role of donor organisations and Arab funds in realising development in the region.

7. Communication and interaction among all entities involved in national strategy formulation should be strengthened. This covers the diverse civil society, parliaments, private sector, and government, whereby each entity is to maintain its independence and role.
8. As conditionalities impede aid effectiveness, any possible use of conditionalities should be referenced in mutual responsibility towards human rights and parity among partners. Aid agreements and contracts ought to incorporate mutually-adhered to clauses on human rights and gender equity. Besides, aids should not be used as means to justify breaches of human rights, aggression, occupation, or domination over national resources.
9. Participants express acknowledgement of the growing role of donor organisations in the Arab region, such as governments and development/specialised funds. They however call for commitment by these organizations to the principles and recommendations of aid effectiveness forums, as well as active partnership in development processes in terms of adopting comprehensive developmental visions that take into consideration regional needs and regional integration requirements. Tackling these developmental challenges and realising social justice and gender equity are also among participants' demands.
10. Focusing on human resource development and capacity building, as well as empowerment of local communities at the level of participation and productive sectors, is needed. Participants stress these demands especially agriculture, in order to provide for citizens' basic needs. In this context, reforms should be carried out in a manner that responds to internal needs and challenges. This entails that these reforms are comprehensive within a state of rights, justice, law and institutions.
11. Spreading and strengthening the concept of social responsibility is key for supporting development processes, as well as involving the private sector as a responsible party.
12. Corruption, in all its aspects including the aid-

associated corruption, is an obstacle to development. Designing suitable mechanisms for accountability is thus of utmost importance.

13. In order to ensure aid effectiveness, organisations stress the importance of developing impact and performance indicators, adequate for local conditions and contexts. Producing indicators related to gender equity is to be taken into consideration in this respect.
14. Civil society organizations participating in the meeting call for establishing an effective mechanism for monitoring and following up on the implementation of pledges, in the framework of aid effectiveness, as per Paris Declaration and other ratified agreements.

