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DONORS IMPOSED POLICIES ON MOZAMBIQUE, CHISSANO ADMITS

Oxford (England), 12 Jun (AIM) – Mozambique’s former president, Joaquim Chissano, has admitted that the foreign aid granted to Mozambique when he was in power “came with the imposition of prescriptions and the questioning of the predominant development Paradigm”.

Chissano was speaking on Sunday in the British university city of Oxford, at a conference on “New Directions in Development Assistance”.

Freed from the constraints of office, Chissano could now give his real opinion of the aid industry - and it is largely in line with what critics of the IMF, the World Bank and bilateral donors have been saying for many years.

The way in which aid was provided, said Chissano, undermined Mozambique’s national sovereignty “and the possibility of freely choosing the policies to implement”.

He did not cite specific examples, but it is more than likely that he had in mind such incidents as the 1995 diktat by the World Bank linking future loans to the dismantling of protection for the cashew processing industry, a demand which led to the closure of every large cashew plant by 2001, and the loss of around 10,000 jobs.

“Ill informed prescriptions by donors often failed because donors did not have a deep understanding of the situation in the recipient country”, said Chissano.

The aid industry in Africa has existed for about 50 years, he noted, but “both donors and recipients seem united in their unhappiness and frustration with the achieved results”.

A great deal of money had been spent “but sustainable good results have been elusive”.

“Some experts contend that aid has enlarged government bureaucracies, perpetuated bad governments, enriched the elite in poor countries, or just been wasted”, he added. “In the barrage of criticisms of development assistance effectiveness, Africa has provided a fertile ground for pessimistic views”.

Some of those pessimists “suggest that aid merely served to fuel and perpetuate a culture of patronage which is the root of the governance problem”. They logically concluded that increasing aid “would be tantamount to throwing more money away, unless governance issues were first addressed”.

Chissano had a very different take on the problem. He pointed out that “in most cases foreign aid to Africa did not start in a healthy atmosphere, in which all stakeholders were united to build success together”.

On the contrary “anti-African” forces in the former colonial metropolises “were strong and influential, and determined to impede the development of the continent”. Such forces included “not only those who lost something with the end of colonialism, but also those who were afraid of competition from a developed Africa”.

Furthermore some forms of “aid” help, not Africa, but the donors themselves. “Through different strategies and mechanisms”, said Chissano, “donors are perceived as ensuring that the bulk of the implementation of projects in Africa is reserved for their companies and NGOs, on the grounds that the local ones do not have the necessary technical and financial capabilities”.

“The prevailing practice of extensive use of highly paid international consultants also ensures that local capacity is not created or consolidated, while sending back aid to the donor countries, instead of propelling the local economies”, he stressed. “The very important concept and noble objective of capacity building was reduced into a never ending litany of seminars and workshops, many of which are of more than doubtful value”.

Political strings were often tied to aid, “sometimes with negative consequences, particularly when countries are forced to introduce political reforms at a pace that threatens their stability”, said Chissano. “At community level, some NGOs start projects and before they are consolidated, move to another place to start others, leaving unfinished work behind them”.

And it is not only African governments who have problems with red tape. Chissano attacked the “cumbersome bureaucracy” of donor agencies which “leads cooperation to be more concerned with processes than with policy and results”.

Understaffed African public administrations struggled to cope with the bureaucratic demands from multilateral institutions (Chissano named none in particular, but the World Bank is an obvious culprit), and then “the recipient countries are accused of lack of capacity to absorb aid”.

In such cases, he argued, the real problem was the bureaucratic mechanisms of the donors themselves, “which can be made lighter, without the loss of control they are meant to ensure”.

Chissano also criticised the unpredictability of aid which made planning hazardous. He noted that the Organisation for Economic Cooperation and Development (OECD) admits that only 65 per cent of aid arrives on time.

“In this environment of uncertainty, aid has become so volatile that governments are cautious about fully using it”, he pointed out. “They could hire many teachers, health workers and civil servants, only to fire them once the aid flow was over. They could supply AIDS-patients with anti-retroviral drugs, only to discontinue when the money stops”.

There was also lack of coordination, “with many donors competing and doing the same thing, with the same people at the same time”.

The 2005 Paris Declaration on the effectiveness of aid “seeks to put an end to the evident chaos in development assistance, by committing donors to supporting recipient countries’ strategies to combat poverty and development programmes” - and Chissano was pleased to note that some donors were now taking this seriously, by letting recipient countries manage the money themselves.

The best way to coordinate aid, and to align it with the recipient country’s own policies, was through general budget support, said Chissano - though he noted that the Mozambican experience with budget support threw up an unexpected downside in that “donors’ common voice often becomes a common front in an unbalanced power relationship that may have dire consequences”.

Chissano warned that “instead of ensuring aid ownership by the recipient country, general budget support may actually introduce donors more deeply into the heart of the government, thus compromising the latter’s ability to formulate and carry out its policies independently”.

He noted arguments that in the Mozambican government’s key poverty alleviation plan, PARPA, “goals are mostly dictated by donor strategies, dictated by the dynamics of the international debate of the period it was enacted”. And Chissano did not dispute such claims.

He even suggested that the constant stream of donor demands and delegations, the never ending rounds of meetings, constitutes a deliberate strategy. For “this overload becomes a serious factor in the recipient government’s subservience on policy issues, as Ministers and officials spend so much time dealing with donors that they have insufficient time left to fulfill their government responsibilities”.

Chissano was convinced that “Aid does help the development of poor countries. But its quality and quantity must be improved”.

Aid “must create and strengthen capacities in the recipient country”. Examples such as that of the Malawian farmers who doubled their agricultural productivity and output in just one season, thanks to seeds and fertilizers received through aid, showed “that aid does work, if provided under the right quantity and quality”.

And it was not just a matter of throwing money at poor countries either. Quality was just as important, Chissano argued, since “you may mobilize an impressive amount of money, but if it is not going to be used according to a fair and balanced set of rules that bring together providers and recipient, the impact will just be very little or negative”.

So he believed that “in rethinking aid we must aim at enacting an effective compact bonding donors and recipient countries towards clear, expressive and visible results on the ground”.

Such a compact “should be based on a true spirit of partnership and solidarity, focused on lifting people out of poverty, generating economic growth and propelling poor countries to sustainable development”.

A system of mutual trust between donors and recipients was needed “centred on the notion of the acceptance of the recipient government’s leadership of the overall development process”, Chissano insisted. “Only when the government exerts leadership of the process, can it claim ownership of aid”.

In the compact he was suggesting, “recipient countries should set their priorities and donors should monitor their aid programmes without grossly interfering in policy formulation. Donors and recipients must enter into a partnership where accountability is demanded of both parties”.

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