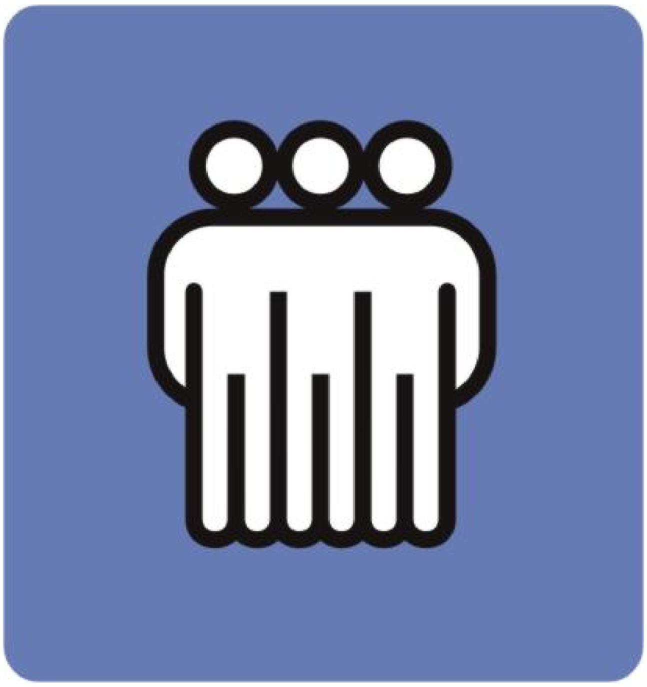

Partnerships: Essential for aid effectiveness?

By Bill Morton
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This is a guest post by Bill Morton of Oxfam Australia.

You can always rely on the Economist to come up with a clever turn of phrase. One of its latest is "the goobledegook of aid", used to describe development terms that are "nice and woolly, hard to define and harder still to contradict". "Partnership" doesn't make it onto the list, but try telling a finance department official that partnership is central to making Australia's aid program more effective, and you can bet on a sceptical response. This is not surprising: development experts frequently struggle to explain how to "operationalise" the term.

What they do agree on, however, is that it's a key aspect of the dynamics of aid and is integral to effective approaches. Just take the Paris Declaration, agreed on in 2005 by developing country and donor institutions: its five areas for improving aid effectiveness are listed as "partnership commitments". The Accra Agenda for Action (an addendum to the Paris Declaration) simply states that "aid is about building partnerships for development". And the Millennium Development Goals are all about partnership: MDG 8 sets out commitments on aid, trade and debt as part of the global partnership for development.

All this suggests that building partnerships –between donors, developing country governments, civil society, and NGOs – should be a central issue for the Independent Review of Aid Effectiveness, and for the Australian aid program in the future.

Whether or not this happens depends on the Government's willingness to invest time and resources in an area where short term measurable results cannot be guaranteed. Effective partnerships provide the means to achieve other development objectives. But the link between means and ends is not always clear, so the results from partnerships are often hard to demonstrate. Moreover, development partnerships evolve over time, often in unexpected ways. This means that investing in partnerships – and maintaining that investment when the going gets tough – involves anticipating and managing risk.

Ensuring political and funding support for investment in partnerships may be particularly difficult in the current climate for aid. Both the UK and Australia, to their great credit, are so far upholding their commitments to increase aid. In the UK, however, this is occurring within the context of major budget cuts in other areas. Not surprisingly, the UK Government is taking a tough stance: if the aid budget is to continue to increase while other aspects are being cut, it must be able to demonstrate real value for money.

This approach is clearly reflected in the UK Government's recent review of aid. The review states the government will "be more hard headed about making every penny count", and that it will demand real evidence and "hard numbers" on the impact of aid. This may be what's needed to maintain public support for the aid program; but it's potentially bad news for development approaches such as building partnerships, where demonstrating evidence on impact may be difficult in the short term.

Fortunately, AusAID is making significant investments in partnership approaches. It has established the Pacific Partnerships for Development program, and signed agreements with 11 Pacific Governments, based on principles of mutual respect and responsibility, and on accelerating progress towards the MDGs. It has also implemented a number of important measures to improve its partnerships with Australian NGOs, including through the overarching Australian NGO Cooperation Program, and through country based agreements such as the Solomon Islands NGO Partnership Agreement and the Laos, Cambodia and Vietnam NGO Cooperation Agreements.

AusAID's approach in these NGO agreements recognises important principles for building effective partnerships, including open dialogue, mutual respect and flexibility. But AusAID needs to ensure its implementation of these agreements matches their intent, and that – especially on points of disagreement – it does not revert to a principal-agent view of its relationships with NGOs. As Oxfam says in its submission to the aid review, AusAID should continue to invest in building staff capacity and expertise regarding partnership approaches, provide clearer guidance on what partnership means in practice, and provide incentives to reduce staff turnover. The latter constitutes a real barrier to effective partnerships, and has been recognised as a problem in a report by the Australian National Audit Office.

AusAID also needs to ensure that its internal processes and systems are properly equipped for partnership approaches, particularly in terms of allowing flexibility and maintaining focus on long-term results. And it can more strongly acknowledge the risks involved in partnerships, and be prepared to defend them. As the Office of Development Effectiveness notes, AusAID currently "tends to stress managing short term fiduciary risk, without appropriately balancing impact on development outcomes". An important aspect of partnership involves sharing risks as well as benefits.

The shift towards more effective partnerships will take time. It involves a process of change, not just for government donors, but for NGOs, and for other actors as well. Let's hope the upcoming aid review report recognises this, and that the Government continues to make appropriate investments in partnerships as the aid program continues to grow.

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