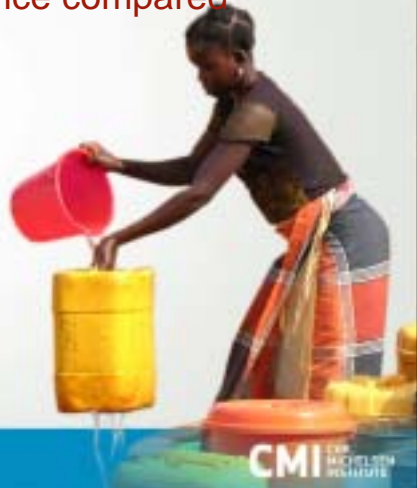


## Conceptualising ownership in aid relations: Japanese and Nordic assistance compared

Alf Morten Jerve  
CMI



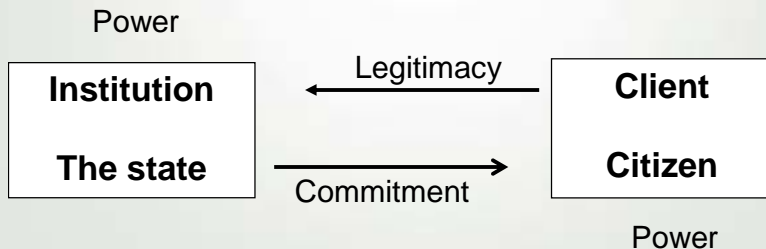
CMI  
Center for  
Microfinance  
Institute

### What inspired *Aid relationships in Asia*?

- To **challenge** assumptions in the 'post-Washington consensus'
  - Does ownership result in more effective aid?
  - Can donors create ownership?
  - Is the "new aid architecture" really about partnership?
- To **test** how to discover ownership
  - How to recognise ownership? And degrees of ownership?
  - Whose ownership?
- To **discuss** implications for aid modalities
  - How is it perceived from the recipient side?
  - What matters in donor behaviour?

## 'Ownership' deconstructed

- Key elements to look for
  - **Power** (and rights) : setting agenda, planning, execution
  - **Accountability**: legitimacy in eyes of key stakeholders
  - **Commitment**: will and capacity to act



## 'Ownership' deconstructed

- **Many** can be owners
  - 'Country ownership' a misleading term
  - Power struggle – ownership at top or bottom (beneficiaries)
  - Whose ownership matters most?
- Ownership does **not** per definition yield positive outcomes
  - Capacity to deal with donors
  - vs. Capacity to formulate vision/policy
  - vs. Capacity to deliver on the ground

## Ownership vs. Partnership

**Ownership**          Power - empowerment

**Partnership**          Mutual interests - equality

Dilemma

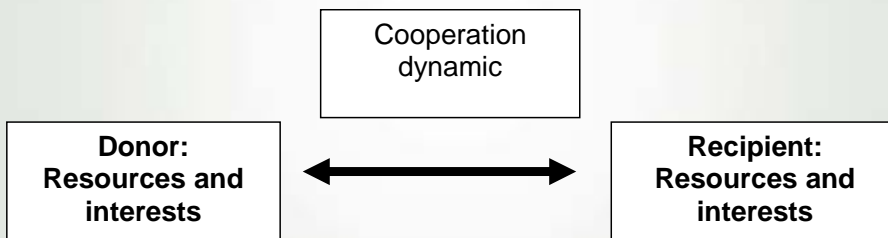
**Partnership**     Donor wants a lot for little

**Ownership**     Recipient wants sovereignty

OECD-DAC (1996): *Paternalistic approaches have no place*

## Ownership vs. Partnership

But all three factors still matter in aid relationships:



## The Car

Who owns the car?

Who is driving?

Who made the road map?

Who decides where to go?



## Nordic vs Japanese aid

	Nordic	Japan
Volume	Less	More
Tying of aid	Less	More
Using gov't systems	More	Less
Relevant knowhow	Less	More
Special policy concerns	More	Less
Programme aid	More	Less

## Findings from country case studies: aid dependent

### LAOS

- Ownership by the political elite exercised to defer reforms.  
Bypassing arrangements by donors do no alter the situation

### MONGOLIA

- High recipient ownership of outcome despite high donorship in implementation

### NEPAL

- Aid dependent but donors not successful in influencing political process

## SRI LANKA

Studying capacity development of institutions supported by donors

	<i>Donor agency</i>	<i>Building a university level institution</i>	<i>Social and economic development in a rural area</i>	<i>Recipient organisation</i>
1	JBIC		Walawe Left Bank Development: irrigation scheme	Mahaweli Authority of Sri Lanka
2	JICA	Dental Faculty		University of Peradeniya
3	Norad		Moneragala Integrated Rural Development Programme	Changing ministries
4	Sida	Institute of Biochemistry and Molecular Biology		University of Colombo

## SRI LANKA: Main conclusions

- Domestic factors play a more important role in explaining ownership than variation in donor practice
- Government policy mattered a lot (often a negative factor)
- Importance of leadership and entrepreneurship at recipient institution
- Importance of participatory planning
- Importance of donor flexibility
  
- Donors cannot buy ownership, but can facilitate

## Findings from country case studies: aid is marginal

### CHINA

- Treat donors differently – big (Japan) and small (Sweden)

### THAILAND

- Domestic decision-making process with high degree of legitimacy led to decisions deviating from donors' advice
- Ownership varies in stages of the project cycle  
Ownership varies among key stakeholders depending on own interests

### VIETNAM

- Historical experiences and strategic considerations cause different approach to donors (Japan vs Sweden)

## Conclusions on 'ownership'

- Recipients seem not to want a uniform model for partnerships
- Historical experiences matter for aid relationships
- Donors have very limited influence when not invited
- Ownership seems not correlated with donor policy
- Ownership is complex and unpredictable
- Ownership can also result in 'bad' outcomes

## Implications for 'aid architecture'

- A more modest and less instrumental perspective on the role of aid
- Plurality is not bad – recipients want different kinds of donor to choose from
- Ownership cannot be created by aid – but can be facilitated
- Long term engagement is essential – relationships have to grow
- But donors need to show willingness to withdraw when ownership does not yield results