

# Local Ownership and Changing Relationships in Development Cooperation

Presentation by Réal Lavergne  
CCIC-CIDA Dialogue  
March 20, 2003  
(edited transcript)

This presentation was the first of two in a session on *Ownership, Capacity Building, and Program Approaches: Implication for Civil Society Organization Relationships*, chaired by Michael Jay. It was followed by a presentation by Michel Charette, which looked at some concrete cases from CECI's experience.

## Introduction

My role in CIDA is Senior Analyst in areas having to do with our approaches to development cooperation or with relationships in development cooperation. I cover two areas: one is capacity development; the other is program-based approaches. So from that perspective, I'm quite comfortable talking about this issue of Changing Relationships in Development Cooperation. However, I feel we have a lot to learn about the concept of local ownership, as John Saxby points out in the issues paper that he prepared for these consultations.

My presentation will be in three parts.

1. I will begin with some discussion of the concept of local ownership itself, focusing on some of the difficulties of the concept. It is important to do this, because local ownership, like so many other concepts – like "partnerships," "development," or "capacity development" – is a concept that can easily become a slogan without much meaning. One has to understand the problems of the concept before one can use it comfortably, without using it as an empty mantra.
2. I will then say a few words about how aid relationships change in relation to local ownership as we shift from projects to programs, and maybe even beyond programs, in our approach to development cooperation.
3. Finally, I will say a few words about the changing roles of Canadian civil society, in this evolving context.

Michel is going to pick up from there with further analysis and some case study material. We'll thus take you from theory to practice, as we shift from one presentation to the other.

## Some background

Let us begin by situating ourselves with regard to the international and Canadian policy discourse on local ownership, drawing on John Saxby's paper. Local ownership has been a

much-referenced concept since 1996, when *Shaping the 21<sup>st</sup> Century* was published. *Shaping the 21<sup>st</sup> Century* was a consensus statement issued by the OECD's Development Assistance Committee, and it was a milestone document in the area of development cooperation. The ideas found in that document were not new, and one finds references to the concept of local ownership going back at least to the early 1990s. Nonetheless, it is a concept whose use expanded considerably after the publication of *Shaping the 21<sup>st</sup> Century*.

The concept also emerged as a frequent element of the World Bank's discourse in the early nineties when the World Bank was running into serious problems with its structural adjustment programs, precisely because there was a lack of local ownership. More recently, it has been brought up in the context of the Comprehensive Development Framework that James Wolfenson introduced to the World Bank in 1999. In CIDA, it has been reaffirmed as a principle of aid effectiveness in *Canada Making a Difference in the World*, where local ownership is one of the five key principles that should guide Canadian development cooperation.

## **Competing views of local ownership**

### ***Local ownership as local commitment***

Now let us get into some of the difficulties in using the concept and the roots of some of these difficulties. I would like to start by reading to you something that I wrote before I read John's paper. This is from the *CIDA Primer on Program-Based Approaches*. I will be revising this section, but here is what I had written up to now:

- Local ownership is above all about local commitment and marshalling of efforts to achieve a particular set of goals in a sustainable way. Practically speaking, this means local commitment to development policies and programs and to their implementation. It means that local partners are prepared to invest in the success of these programs and want to work towards goals they have defined for themselves. Commitment is not a zero-sum commodity, so the notion of ownership is perhaps not the most appropriate. Ideally, all partners in a program-based approach should be committed to the goals of the initiative and all should, therefore, feel ownership. However, the key point to be made about local ownership is that little will be achieved on a sustainable basis if local partners are not fully committed. From the perspective of sustainability, it is also important that this ownership should be institutionalized rather than depending on particular individuals.

This understanding is consistent with definitions found elsewhere, and I was quite pleased with it – until I read John's paper. I realised, then, that there is quite a lot missing in this understanding. I also realized to what extent it is a donor perspective on the subject. As donors, we want our programs to work. We want them to have an impact on the poor and we want them to be sustainable. And what matters, from that perspective, is that the partners with whom we are working should share the same goals as the ones that are being pursued under those programs – wherever those goals came from. We would like our local partners to be committed, and to be willing to invest their own resources and dedication to the success of the program, and after we depart, to take over and continue. That is the donor's perspective, and it is a very legitimate perspective to take.

However, I became increasingly aware, as I read John's paper, that there must be a reason for the use of the word "ownership" rather than the word "commitment," because, for everything that I had written, one could use the word commitment, and find that quite satisfactory. What does the word "ownership" add?

### ***Local ownership as a bundle of rights***

I think when you focus on the word "ownership," you get the perspective that our partners in developing countries are more likely to take. And that is the perspective of local ownership as a right. Ownership in general is normally thought of as a right since it represents the right to property. So perhaps it is best to think of local ownership from a rights-based perspective. Nick Moore, who is one of the sources that John Saxby cites, considers that it is best to look at local ownership as a *bundle* of rights. These rights might include: the right to set the agenda, the right to allocate resources (including those coming from outside), the right to design and implement development programs, etc.

Consider also the word "local" in the expression "local ownership." It too, conceals a complex reality. Whose local rights are we talking about when we say "local" ownership? An alternative expression that is frequently used in organizations such as the World Bank and CIDA is that of "country" ownership. When one says country ownership, many people think of ownership by the national government, whose authority derives from the political legal rights that are associated with the representative authority of the national government over a country. However, most people would agree that this is not enough – that local ownership also requires a degree of ownership by the general population, by civil society representatives and so on. For that reason, "local ownership" is probably a preferable expression to that of "country" ownership.

Addressing local ownership from a rights perspective allows us to ask ourselves about the rights of different competing interest groups. What about beneficiary rights as opposed to government rights? What rights does civil society have? Who does civil society – or different elements of civil society – represent? What claims to legitimacy can it make? Local ownership has many faces, and all of these different parties have some sort of local ownership rights with regard to development programs that affect them or their constituencies. Thinking of local ownership as a bundle or rights is very useful. It allows us to unbundle the package, and suggests that different stakeholders might have different kinds of rights or might share these rights in different ways.

### ***The politics of local ownership***

We have, therefore, two different ways of thinking about local ownership, one perspective emphasizing local commitment and engagement, the other emphasizing a bundle of rights. These are complementary and in some ways interdependent, but not identical visions.

We could get into a long philosophical discussion about local ownership and why it is important – whether it is principally an instrument to achieve other things or something that is intrinsically valuable. At the root of the normative case for local ownership is the argument that people have a right to determine their own destinies and to be governed by their own governments. This is an argument rooted in the liberal tradition, and one that resonates positively with most people in the

development field. However, it is not necessary and perhaps not particularly useful to get involved in the "philosophy" of local ownership here.

Perhaps more interesting is the "politics" of local ownership. It is important to be aware, when dealing with something such as local ownership, which is valuable in its own right, that people will use that as an argument for pulling the blanket to their side of the bed. Local ownership thus becomes a bargaining chip and as a result, there will be different interpretations of local ownership by different people, depending on one's position in the negotiations.

If you are a member of civil society, you will tend to think of local ownership as participation. If you are a member of the local government, you will think of local ownership as a right of representation because you're elected or otherwise represent the people. If you are a donor, you are going to think about it the way that I thought about it when I wrote the Primer; basically as local commitment, responsibility, and accountability, so that when there is local ownership, donors can share their funds with the local partners and be confident that those funds will be well used and will lead to sustainable development.

So different parties have different concepts that condition what they have in mind when they argue for local ownerships. However we define local ownership, all the people sitting around the table are likely to have different definitions. I think it is useful to be aware of that. However we define local ownership, whatever intrinsic value we give to it, in the real world, ownership is going to be shared and it is going to be something that is negotiated by the different people around the table.

Practically speaking, local ownership can never be absolute in aid dependent relationships, and that is so for several reasons:

- First of all, because donors hold a considerable amount of power in the aid relationship, because of their control over the purse strings.
- Secondly, because donors have a mandate and are accountable for the funds they manage.
- Thirdly, because donors, whoever their local partners may be, are liable to dispute the dispute any absolute or exclusive claim to legitimacy by those local partners. Because local partners always have their own interests to pursue in addition to those of their own constituencies, there is always some sort of argument that can be made.
- Finally, because for donors, local ownership as something with an intrinsic value is perhaps less important. For donors, local ownership may be primarily a way to be more effective, a way of ensuring sustainability – a means to an end.

For all these reasons, when donors interact with local partners, I believe ownership is always going to be a shared and negotiated relationship. That is the real politics of local ownership.

## **Changing relationships: from projects to programs and beyond**

The second part of my presentation asks how these relationships are changing over time. My emphasis will be on the shift from projects to programs, because if you read *Canada Making a Difference in the World*, the major shift that is taking place in CIDA today is that we are shifting away from a project-based approach, which has dominated the way we do business in CIDA for the last 40 years, in favour of program-based approaches. We need to understand the implications of this shift for our relationships with our developing country partners.

### ***Local ownership under the project mode***

What can we say about local ownership under the project mode versus local ownership under a program based-approach mode? I think there is a fundamental difference between these two approaches. There are two ways to approach this difference. One is to argue that the program-based approach tends to favour local ownership more than the project approach. This is probably true, for a number of reasons, but it should be recognized that the project mode can be pursued in different ways. It can be supply-led or demand-led. There can be a good deal of local ownership under the project mode, or there can be very little. So the difference in levels of local ownership may not always be the most important difference between the two approaches.

The other way to compare these two approaches is to look at the nature of the donor-recipient relationship, which differs fundamentally in the two cases. The principal feature of the project approach from this perspective is the separation of donor and recipient resources for different activities or program components. What the project does is to set aside a particular development problem or area in which the donor is able to make a difference. Donors involved in a project will usually maintain a fairly high level of control over the project, and will feel a high degree of responsibility and accountability for the success of the project. On the other hand, they will have little or no say in aspects of the development agenda involving the use of national resources outside the scope of the project. Each partner thus has its own area of relatively high control and independent action. What you have, therefore, is a certain separation of ownership in different spheres of activity.

### ***Program-based approaches***

Let us shift now to program based-approaches. First of all, what do we mean by program based-approach? I'm not sure if everyone around these tables today is familiar with the concept, which has now become a common currency in CIDA, so let me say a few words about this approach before going on. The defining feature of program-based approaches (or PBAs) is coordinated support for the development program of one or more local institutions. The concept of local ownership is fundamental here, and the use of the word "program" in the title refers to the program of the recipient country institution or institutions. Donors usually have their own programs – for example a country program for a particular country – but that is not what we are talking about under PBAs.

Where the program being supported covers a whole sector, we call it a SWAp or Sector Wide Approach, but the program covered under a PBA does not have to be sectoral. We heard this

morning that the sectoral approach tends to bias you towards particular types of intervention, and this is true. SWApS have their limitations, just like anything else. However, you can have a PBA that is not a SWAp. For example, the approach that donors are currently using in their support for BRAC in Bangladesh, that was presented as a case study this morning, is a PBA: the donors provide budget support to BRAC, they get around the table once a year, and they discuss BRAC's program. This is a PBA.

You could also have a PBA at the district level. CIDA is currently developing such a PBA in Ghana, which they call a DWAp, or District Wide Approach. Yesterday, I was talking to some people from World Vision and they were saying they worked at a district level in an integrated way but they directly provide the services. This form of intervention could develop into a PBA, but if World Vision decides to move in this direction, they will have to engage in a different way with local partners and might even find themselves providing budget support to the local government.

Please note, in passing, that PBAs in support of NGO programs involve more than just the provision of institutional support. The fact that a Northern NGO makes a budget support grant to a Southern NGO doesn't necessarily mean it has engaged in a program based-approach. A PBA also implies collaboration with other donors, and a certain degree of dialogue over the overall program of the host institution. There is more on this in the Primer, so I won't belabour the point here.

### ***Local ownership under PBAs***

What I do want to belabour is the issue of program based-approach and local ownership. First of all, local ownership is fundamental to program based-approach because it is part of the definition. If you break down the principles of program based-approach, local ownership comes out as fundamental, just as it does in *Canada, Making a Difference in the World*. However, it is not absolute, for all of the reasons we saw earlier about ownership being a shared and negotiated relationship between the donor and the recipient institution. What changes under PBAs is the domain over which those negotiations take place.

In contrast to what happens under the project approach, where each party has its own sphere where it sets its own rules, ownership under PBAs is in some sense shared for the whole of the programming area involved. When engaging in PBAs, donors recognize that the former division of responsibilities has not been an effective way of doing things, and that if sustainable development is to occur, this requires a more holistic and systemic approach, rather than the creation of islands of excellence at the project level.

Under PBAs the deal is this: donors will offer to contribute to a program in more flexible, more coordinated ways than they have done in the past under the project approach; they will pool their funding, and may be willing to provide budget support for the program as a whole. In return, they are asking for a seat at the table in discussions of program strategy and implementation, in the identification of results and indicators, etc., under the leadership of the host-country institution. This approach involves joint accountability for program results, and joint commitment to the success of the program.

The leadership role for the host-country institution is important from the perspective of the local ownership agenda, but there is obviously a degree of shared ownership over the whole program when donors sit at the table and work in collaboration with the recipient, and jointly agree on program directions. How effective local ownership is going to be in this model depends on donors' willingness to let go and upon the capacity and leadership qualities of the local partner. Local ownership is expected to grow over time, as a function of the increased accountability of the local partner to its own constituents, as mutual trust and confidence are established, and as the recipient's own capacity to deliver on results increases.

### ***Beyond PBAs***

I've titled this next sub-section "Beyond PBAs" to suggest that there is another way to think about the development agenda and about local ownership, which PBAs alone seem somewhat ill equipped to handle in most cases. The underlying idea is that local ownership, pushed to its logical conclusions, is about the freedom and ability of individuals and organizations to build their own capacities and make what Micheline this morning called "strategic life choices," on an ongoing basis. What this requires is space and opportunity for making those choices.

This perspective yields a model of development that is quite different from the planner's model that is implicit in PBAs. In fact, the only way to create this sort of space and opportunity is to focus on what we might call the "enabling environment." This expression has been used in other contexts, and may have connotations of a pro-business model of development. But what it means, fundamentally, is giving people space to grow and that is local ownership at its finest – local ownership as freedom and as individual rights.

How do you do create such an "enabling environment?" You do it by reinforcing the education sector, by helping people have access to information through ITC's, by promoting an environment where individual initiative is encouraged, by having a vibrant civil society, a vibrant private sector and all the rest of it. Clearly, much of this cannot be achieved by working only at the sector level. You also have to work at the macro level, which is where the enabling environment is defined and shaped.

### **Changing roles for Canadian civil society**

Regarding the issue of changing roles for Canadian civil society, I believe that the trend towards program based-approaches and greater local ownership has three major implications for Canadian civil society.

- First, it means consolidating a trend that is already well under way, and has been under way for many years. This is the shift toward a capacity development role. Increasingly, the role of Canadian NGOs is going to be to promote the strengthening of the capacity of Southern civil society, rather than one of implementing development projects. In some cases, this capacity development role might extend to support of district governments or national government, if there is a place for civil society in doing that, but it is the capacity development function that is fundamental.

- And local ownership is very much a part of that. Increased local capacity is one of the conditions for effective local ownership, and local ownership in turn, is a condition for effective capacity development. However, all of the points that I've made earlier about the complexity of local ownership, remain. It is not because the external agent is an NGO rather than a bilateral donor such as CIDA that those issues disappear. Local ownership does not become an excuse for avoiding accountability. Nor is local ownership any more absolute when it involves civil society as it is when it involves government, because if absolute local ownership was the objective, you would just send a cheque and forget about it. That would be absolute local ownership. However, I don't think anybody around this room is willing to do that.
- The second and third implications of the new approaches for Canadian civil society have to do with engagement in PBAs. Most PBAs are government-led, so it is important to consider how civil society might engage in such programs. The most common form of PBA is the SWAp, or sector-wide approach, but increasingly, donors are engaging at a more macro level, in support of a country's national poverty reduction strategy. Canadian civil society can play a role in either case, by looking for ways to enlarge the level of participation in program discussions, implementation, monitoring and evaluation. They can do this through advocacy work, and by providing support for the participation of Southern civil society in these programs, through capacity development, international networking, provision of information or provision of institutional support.
- Alternatively, Canadian civil society might engage with governments and civil society, at a decentralized level. The local government level offers special opportunities for NGOs because often NGOs are not big enough to engage at the national level. There is no reason why the principles of PBAs cannot be applied at the district or community level, in ways more adapted to the capacities of some NGOs.
- Thirdly, keep in mind that PBAs are not necessarily and always the stuff of governments. This opens the possibility of Canadian NGOs supporting Southern NGOs using a PBA approach. The example of BRAC that was presented this morning is a perfect example of that, in which a large number of Northern NGOs and bilateral donors and multilateral donors are involved, under a PBA model of engagement. The CECI project, *Droits et citoyenneté des femmes* in West Africa, that was written up in preparation for this meeting is a good example of a Canadian NGO engaging in support of a development program led by our Southern partners. Of course, these approaches do require a certain scale of operations and coordination with the efforts of other donors.

## Conclusion

Let me conclude by summarizing quickly the main points that I have tried to make in this presentation.

- Local ownership is certainly a good thing, both in its own right, and as an instrument of aid effectiveness. Realistically speaking, however, it is never absolute in an aid-dependent relationship. Let us not hide behind the concept to win points by playing holier-than-thou or to avoid accountability.
- Secondly, shifting approaches to aid implies changing relationships in terms of local ownerships. As we've seen, the notion of shared, negotiated, and evolving ownership comes to the fore, with great clarity.
- Finally, there are implications for the roles of Canadian civil society which have already been shifting, for more than a decade and which will continue to shift, away from a role as project implementers, towards one of facilitation and participation as players in larger, program-based, initiatives.

Thank you very much.