

Side Events

Technical Cooperation and Capacity Development as Aid: Assessing Progress on Implementing Principles for Effective Development Cooperation

30 November 2016, 8:00am – 9:00am

Objective:

The HLM2 side event on “Technical Cooperation and Capacity Development as Aid: Assessing Progress on Implementing Principles for Effective Development Cooperation” brought together different actors to discuss how “fit for purpose” is technical cooperation for achieving the goals of the 2030 Agenda. It aims to deepen the discussion on development effectiveness principles by examining the provision of TC in developing countries from both provider and recipient perspectives. Lessons, issues and challenges in the implementation of technical cooperation for effective development will be looked into towards coming out with policy recommendations and developing partnerships to address the bottlenecks.

It aims to:

- ✓ Contribute to the analysis of TC and its role in the means of implementation of the 2030 Agenda
- ✓ Generate evidence and inputs (e.g. country case studies, etc) from various actors on the provision of TC using development effectiveness benchmarks
- ✓ Learn from participating stakeholders relevant approaches that will enable the provision of TC consistent with country ownership

Participants:

Welcome Remarks and Introduction: Leo Atakpu, Reality of Aid Africa

Speakers:

- Farhana Akter, Voices for Interactive Choice and Empowerment Bangladesh
- Joseph Mukui, Economic Planning Secretary, Ministry of Planning, Government of Kenya
- Thomas Munthali, Africa Capacity Building Foundation

Respondents:

- Dickson Khainga, Kenya Institute for Policy Research and Analysis
- Jeroen Kwakkenbos, European Network on Debt and Development

Synthesis and Closing: Yodhim dela Rosa, Reality of Aid Asia-Pacific

Moderator: Erin Palomares, Reality of Aid

Key issues discussed:

Technical cooperation make up a quarter and a half of ODA, yet remains one of the least analysed especially in terms of development effectiveness. In 2014, the DAC recorded a total of US\$19.5 billion in free-standing technical cooperation (TC), which made up 14% of Real ODA. There has been a sharp decline in TA from 27% after 2005. OECD DAC statistics, however, only tracks “free-standing technical cooperation” – provision of expertise for training or skills transfer (capacity development) initiatives. They therefore under-estimate total TC as DAC donors and multilateral institutions do not report on donor-provided expertise within projects (assisting in the preparing and technical implementation of these projects).

Participants identified critical issues related to the goals and delivery of technical cooperation by aid providers. These are: i) the tendency to prioritize aid provider interests to realize specific donor-determined results and avoid risk in aid delivery, irrespective of the needs of partner country counterparts; ii) a tendency to promote, design and implement public private partnerships (PPPs), in ways that ignore peoples’ priorities, interests and alternatives, and iii) the tendency to shape or influence national development priorities through legislation and governance reform.

For many recipient countries, TC is largely supply-driven and organized to meet aid providers’ interests. In particular, aid providers employ TC to manage and safeguard the deployment of aid in ways that ensure implementation of donor cooperation objectives. DAC donors’ pre-occupation with the achievement of short-term results increasingly drives their aid priorities – pushed by increasing domestic political pressure to produce tangible results. Several case studies also document the widespread use of foreign technical cooperation to design and implement infrastructure PPPs, which have not promoted inclusive partnerships, nor have they allowed alternative technical advice and proposals. National experts familiar with the conditions of affected local populations and communities have been ignored or deliberately marginalized. Provider countries have also utilized TC to create open legal environments for exploitation of natural resources and avoiding taxation of MNCs.

In Bangladesh, the World Bank supported a multi-year program to improve the national procurement system. Donors insisted on the use of donor-determined procurement rules and mechanisms, over the reformed national system. This practice, which essentially undermined local capacities, operated coincidental with the initiative of the World Bank, donors and the Bangladeshi government, to create a new law to reform the procurement system and Bangladeshi capacities to implement the new system. Even when completed, donors did not use the reformed national procurement system.

There are similar TC issues in other countries. In the case of India, the ADB, alongside other donors, has aggressively promoted private sector engagement in large-scale agriculture, the development of energy sources and forest exploitation while neglecting the needs of communities in these plans. In South Korea, civil society has been very concerned about the current Saemaul Undong (SMU) ODA policy and its impact because SMU undermined community solidarity and aggravated inequality, and may also not be suitable as technical assistance to other developing countries. In post-colonial Africa, technical assistance

personnel were responsible for cutting government budgets, the privatization of parastatal organizations, and the starving of subsidized public service to make resources available for debt servicing. But the fact is that this did not help to decrease poverty levels and even the incidences of growth never translated to an improved quality of life. Therein lies the irony that invokes a call for evaluation of technical assistance.

Main conclusions and next steps:

Given the surprising lack of progress to date, all development actors – aid providers, partner governments, CSOs – as full partners in the Global Partnership for Effective Development Cooperation, should reaffirm at HLM2 the essential importance of demand-led TC fully integrated into developing country priorities and capacity need. They should also call for its inclusion in the GPEDC’s revised Monitoring Framework for implementation post-Nairobi. To create a baseline of data and analysis of current practices, a multi-stakeholder Global Partnership Initiative on Technical Cooperation should come together following the Nairobi meeting to review and measure existing practices in technical cooperation against the purpose set out in HLM2, and in line with the recommendations set out below:

- Support country management of technical cooperation,
- Avoid TC as “soft conditionality,”
- Deploy regional and national expertise,
- Focus TC on skills and knowledge transfers, and
- Establish dedicated country units to coordinate and manage TAs