

Spanish Development Aid

Mid-term Review and a Proposal for Participative Consultation

With this project, the Humanitarian Action and Development programme of FRIDE (HAD), aims to develop a consultation process about the current Spanish government's development cooperation policy. We wish to create a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of "More Aid, Better Aid". A set of recommendation guidelines will be developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy. Moreover, consultations with the national development cooperation policy as well as with those of the autonomous communities, recipient countries and the development cooperation actors of other countries will be included.

1. Context

In 2004, FRIDE organised a consultation process between the main actors of development cooperation in Spain, resulting in a report with key recommendations for an institutional change of the Spanish system¹. In the last two years, many reforms have been applied and others are being implemented. The purpose of this project is to revise the report "Towards a new Spanish cooperation" in light of recent events and agreements, and to monitor the recommendations suggested in the report. Furthermore, we intend to provide information and debate on the new instruments and policies of development cooperation, to compile and analyse experiences about its application and evaluate the progress made in fulfilling the objectives initially indicated. We wish to involve not only development experts, but also Spanish politicians and legislators, and especially, politicians and the civil society from the recipient countries of Spanish aid. Similarly, we wish to include European observers and development cooperation workers on the ground. Therefore, the HAD section of FRIDE believes in the creation of a participative observatory to merge the ideas of national development cooperation agencies, as well as those of development non-governmental organisations (NGO) that work in recipient countries.

The current Spanish executive, which started its term of office in 2004, pledged in its electoral campaign programme a significant change in the Spanish development cooperation policy. The programme included the objective of gradually increasing the Spanish Official Development Assistance (ODA) from 0.24% of the Gross National Product (GNP) in 2004, to 0.33% in 2006, to 0.5% in 2008 and to 0.7% in 2012. This objective even exceeds the aim established in recommendation number 7 of the report *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*². Meanwhile, in the words of the Director of the Spanish International Cooperation

¹ Hidalgo, S. and Espada, F.: 'Hacia una nueva cooperación española', FRIDE Policy Paper 2, Madrid: December 2004. <http://www.fride.org/Publications/Publication.aspx?Item=721>

² "High-income countries should increase official development assistance (ODA) from .0.25 percent of donor GNP in 2003 to around 0.44 percent in 2006 and 0.54 percent in 2015 to support the Millennium Development

Agency (AECI), Juan Pablo de Laiglesia³, Spain is working on the “normalisation” of its development cooperation policy. Thus, the Master Plan of Spanish development cooperation 2005-2008 proposes a series of new guidelines, where each one represents, in itself, a giant step forward in the Spanish development cooperation policy. Instead of just being a mere instrument at the service of foreign policy, development cooperation will serve the fight against poverty. Also, aid will be channelled progressively and increasingly through multilateral organisations and it will be directed mainly towards the poorest countries and the poorest sectors within middle-income countries. Spanish bilateral aid will focus on harmonisation, the alignment of processes and internal policies in recipient countries, the encouragement of a feeling of ownership on behalf of the beneficiaries of aid and the increasing appliance of instruments of coordination with other donors⁴.

The guidelines within the Plan reflect key agreements reached in 2005 in the G8 in Gleneagles and the Millennium +5 summits, in which a significant increase of the ODA was agreed at international level. In February and March of the same year, the High-level Forum of Paris agreed a declaration on “Appropriation, harmonisation, alignment, results and mutual responsibility”, which obliged donor governments to use and instil better mechanisms for coordination. Spain supports these processes to increase and improve ODA, facing new challenges to manage aid as well as to confront the absorption capacity of recipient countries. Also, the Master Plan 2005-2008 recognises the necessity to use new instruments such as the Sector Wide Approaches, budget support and multilateral funds which are based on programme work. At the same time, the AECI is in the middle of institutional reform and is applying new decentralised mechanisms, such as the autonomous agencies of Catalonia, the Basque Country, Andalusia or the Valencian development cooperation funds.

In the international context, all these agreements signify that governments are subject to a regulated system of multilateral relations, going away from the idea of aid as a form of charity to see it as a legitimate claim⁵. At the same time and based on the Millennium Development Goals (MDG), new planning and evaluation frameworks are applied, which are focused on the search for results (outcomes and impacts) in recipient countries. Furthermore, both governments and development agencies are bound to justify their contributions before national parliaments and before civil society.

In the recipient countries of the South, civil society organisations direct their criticisms to the erosion of democratic and political space due to a lack of transparency and the dispersion of the ODA. Aid is perceived, by these sectors, as a legitimate right obtained in the framework of global governance, rather than an initiative based on charity; in the same way, the concept of “beneficiary” is replaced by that of “citizen”. The semantic implications of these new concepts inevitably lead to linking international development cooperation with institutional building and state formation processes in recipient countries.

Considering this at a more operational level, the new integrated frameworks (PRSP, SWAP) require that donors be accountable in relation to the “Good Donorship” slogan. Concerning absorption and management challenges, non-governmental organisations, bilateral agencies and multilateral entities have to better define their respective competences and fulfil good ODA delivery practices.

Goals, particularly in low-income countries, with improved ODA quality (including aid that is harmonized, predictable, and largely in the form of grants-based budget support). Each donor should reach 0.7 percent no later than 2015 to support the Goals and other development assistance priorities.”. United Nations Millennium Project , 2005. *Investing in Development Report: A Practical Plan to Achieve the Millennium Development Goals*.

³ Declaration of the Director of AECI Juan Pablo de Laiglesia in a conference organised by ACADE, 16 February 2006.

⁴ PSOE 2004: “Merecemos una España mejor – Programa electoral / elecciones generales 2004”, p. 16; SECI, Plan Director 2005-08.

⁵ Alonso, J-A. :‘Eficacia de Ayuda: un Enfoque desde las Instituciones’, Revista CIDOB d’Afers Internacionals 72, Barcelona: 2006.

2. Converting aspirations into solutions

In relation to the centres dedicated to the study of development cooperation in Spain, the following group of organisations stands out:

- **The academic community**, represented by a series of prestigious institutes;
- **The civil society**, very active in Spain and represented by, above all, various NGOs that play an important role in development cooperation education. Some of these NGOs, like CONGDE, participate in initiatives of quality maintenance. Also, organisations like Intermon Oxfam and Action Aid have gone beyond the projects-based approach, to combine their work in low-income countries with applied investigation and political incidence;
- Moreover, **study centres** that combine investigation and sensibilisation with the development of policies in specific areas, are being established;
- Apart from the aforementioned organisations, there are a series of **companies** that are focused on planning, monitoring and evaluation, and the carrying out of projects financed by public funds;
- The **governmental bodies** of implementation, supervision, planning and research in the area of development cooperation, such as the Development Commission of the Parliament, the State Secretariat of International Cooperation (SECI), the AECI, and the representative units in the ministries of Treasury, Industry, Defence, among others. The decentralised development cooperation departments and agencies in the autonomous communities and municipal entities, should also be added.

Therefore, one cannot say there is a lack of policies, aspirations or actors. At a glance, it would seem that there is consensus about the results, but not with regards to instruments. The instruments, policies and institutional framework have already been debated at length. The objective of FRIDE's project is to put these aspirations into practice.

FRIDE does not expect to contribute with its own investigation about the quality of aid, but wishes to provide a meeting platform between the main actors and thinkers in development cooperation, and thus contribute to the creation of an ample consensus on the topic. This way, FRIDE hopes to create a meeting point for the most informed voices that are close to the decision-making process. Also, FRIDE will offer them a platform so that their message is delivered to the citizens, allowing them to participate in the debate about aid, and justifying the percentage increase of the national budget designated to international development cooperation.

3. Format and itinerary

The process will consist of four phases:

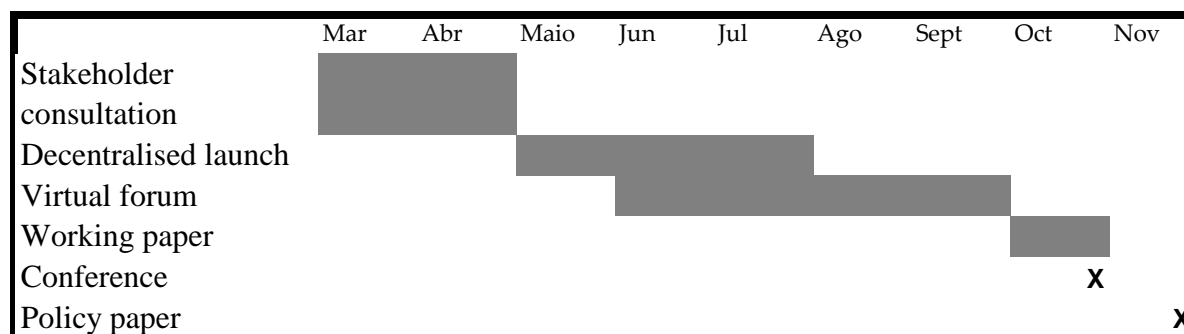
Preliminary consultation: The current phase of the project (April–May 2006) hopes to relay the initiative among selected actors so that they can comment and help develop the next steps.

Decentralised diffusion: The project and its main objectives will be presented in different Spanish cities in the Basque Country, Catalonia, Andalusia, Galicia, Madrid, Castilla-La Mancha, Castilla-León, Aragon and Valencia. This process will be developed in cooperation with well-known cooperation and development study centres and some of the country's most important NGOs. The programme will consist of: (1) receiving contributions about some of the aid effectiveness sub-themes from an NGO, a decentralised agency and an academic; (2) presenting the themes and instruments of the participative consultation promoted by FRIDE.

Virtual forum: FRIDE will create a participative virtual forum on the internet. The forum will have an estimated duration of four months (from June to September 2006) and will be divided into monothematic "virtual rooms" that will be successively open for debate. In every virtual room there will be a background document, written by FRIDE, and three or four speakers, who will be invited to articulate a point of view on the topic of debate. In general, the speakers' contributions must be focused on the provision of conclusions and recommendations, which will then serve as basis for the written contributions of commentators. Among the formal characteristics of the virtual forum, are a database with the profile of each participant a virtual library, the option of inquiring about key topics in development cooperation, and a notice board.

Conference: The final conference will discuss the conclusions from the virtual forum. Recommendations will be addressed to politicians, executives, academics and NGO representatives, who will have the opportunity to respond to the forum conclusions and discuss the inputs of the whole process. The conference will be structured around spaces of open debate, workshops and media access.

Itinerary



4. Topics

FRIDE's objective is not to tackle all the topics of debate on international development cooperation, but to embrace the more controversial aspects from which concrete recommendations may be developed. Many of the topics laid out in this initiative have already been broadly debated. Hence, FRIDE's intention is to summarise the positions and set off from a level of debate previously reached. Accordingly, FRIDE will elaborate a background text (Backgrounder) for each of the topics. This text, which will be approximately 2000 words long, will summarise the main lines of debate about the topic in question and will include links to documents of interest. Then, the experts will be invited (between three and four) to make their contribution (1000-2000 words).

1. Absorption capacity: The increase in aid poses a challenge for its management, for the absorption capacities of recipient countries and for its administration by donor countries. What are the new payment channels? What are the institutional reforms with which the Spanish government prepares itself to manage the increasing quantity of aid?

2. Harmonisation and coordination at country level: The Paris Declaration encompasses the compromise of international bodies and recipient countries to fulfil the agenda of harmonisation, alignment, and mutual responsibility. The Master Plan of Spanish development cooperation for the period 2005-2008 reflects this promise with the application of some of these policies and instruments, insisting, however, on the maintenance of project work. What are the experiences of harmonisation and alignment at local level? What are the institutional changes that should be made in the Spanish development cooperation organisms so that they can successfully fulfil the requirements of the Paris Declaration? The recipient country, its government and its population are the space where the diverse initiatives of the Spanish development cooperation and other donors' converge. What are the roles of Country Strategy Papers (CSP) and Technical Cooperation Offices (TCO)? How is the centralised, decentralised and multilateral aid integrated at the recipient country level? What are the coordination experiences between NGO and TCO? What is the niche that high-level policy and diplomacy leave for the work of TCOs? How is the "appropriation" constructed and what are the ways in which civil society may participate in the management of aid? What can we learn from the delegation processes towards technical offices in other European agencies and in the European Commission?

3. Institutional answers: The international development cooperation law 23/1998 defines the large structures of aid provision. The new challenges that Spanish development cooperation faces demand that interterritorial and interministerial commissions be more efficient in their work to develop intergovernmental coherence. The supervision organisms – the council and the parliamentary commission – have a central role and a large responsibility to inform and involve civil society in topics related to ODA. How can the efficiency of these mechanisms and the achievement of the latest changes carried out be evaluated? How can new mechanisms that allow these bodies to better fulfil their role be conceived? To what extent can these institutions be efficient mechanisms for a more transparent government?

4. Multilateralism: Multilateral conferences have established the regulating framework for the financing of aid and have agreed its objectives. In these meetings, Spain made clear its compromise with multilateralism, and in line with this promise, Spanish development cooperation proposes to channel part of the increase of its ODA through multilateral means. However, it must be decided which channels are the most efficient amongst the different international financial bodies, the United Nations (UN) and its attached bodies, the European Commission (EC) and the Global Funds. What is missing is a knowledgeable discussion about the added value and the special features of each mechanism. For this reason, Spain should think of the best way to combine its bilateral and multilateral promise in the area of development. What strategies should

Spain use to increase its contributions to multilateral bodies as it increases its international role as a country dedicated to peace, democracy and the rule of law?

5. Coherence: Development aid is only a small part of all the policies that influence in the economic and political development of poor countries and in the well-being of their populations. Under the slogan of *coherence*, in the nineties, a new line of investigation was developed that promoted the intersection of the objectives of the different policies implemented by donors in recipient countries, as well as the consistence of the demanded impacts. Applying this focus, the cohesion between different public policies, such as tax policy, economic policy, the public treasury, agriculture or immigration, has been valued, and its positive and negative impacts have been examined. Now, the technical challenge resides in the improvement of interministerial communication. To this one must add the political challenge donors face of being more aware of the problems of low-income countries when making political decisions. How can the invocation of the concept of *coherence* be transcended to inscribe sensibility towards poverty reduction in all public policies? What is the mission of SECI, the civil society and the rest of governmental actors in this task?

6. Human resources to ensure high quality practice: In Spain there are many academic courses, which launch around 200 graduates in development cooperation onto the market every year. The new "cooperate statute" promoted by the current Spanish government a few months ago, is awaiting approval. On the other hand, the Master Plan 2005-2008 promises an initiative of training and modernisation of Spanish development cooperation staff. Apart from this, the new guidelines for aid provision call for new professional profiles with experience in public finance, state and judicial reforms or in humanitarian aid. Alike some other countries, Spain has programmes to recruit personnel in different international organisations, or to foster temporary exchanges of staff with other organisations. What are the strategic plans to consolidate a professional Spanish team, that is capable of giving answers to global policy needs?

7. A culture of evaluation and links between policies and knowledge: The academic community is engaged in aid effectiveness but sometimes it seems far away from the challenges of implementation. Meanwhile, the analytical capacity of development cooperation administrators is more focused on evaluating separate projects, and on occasions is disconnected from an impact at global level. The guidelines for outcome-management try to asses the input of every actor in relation to poverty reduction objectives. Based in this idea, the Master Plan promises a new culture of evaluation. Its purpose is to measure the effectiveness and efficiency of poverty reduction policies, or in broad terms, answer the question: How much poverty is reduced with each euro spent?. The main objective is to establish a continuous process between policy definition and execution, and the analysis of efficient and well functioning mechanisms. Likewise, it is necessary to incorporate the learning processes within the structures of development cooperation agencies. What are the appropriate instruments to assure both learning and accountability?

8. Decentralised development cooperation: The public entities in Spain generate a large volume of aid every year, however, it is yet to be defined how these development cooperation projects are integrated in Spanish aid provision strategies and the strategies of the recipient country. Criticisms of the atomisation of decentralised aid have a long history. Nevertheless, some Spanish decentralised development cooperation policies are engaging in the process of verifying their advantages, their specific uses and their fields of action. Moreover, the autonomous communities are working on a variety of institutional solutions, such as regional funds, development cooperation agencies belonging to each of the autonomous communities, and the assignment of management to professional organisations. What are the institutional configurations and the appropriate actions to use the advantages of decentralised development cooperation?

9. Aid effectiveness – NGO added value: Most development NGOs are financed by public funds. After recent fund management scandals in some NGOs, we must ask ourselves what are the adequate mechanisms to assure accountability before the beneficiaries and donors. Meanwhile, development NGOs are weighted down with administrative processes. What are the good practices of these public entities to

ensure the effectiveness and efficiency of aid that they assign to development NGOs? Are these good practices being applied? Are there effective self control mechanisms to ensure transparency, efficiency and the implementation of good practices? From this more strategic perspective, the role of NGOs is changing within the framework of new financing and aid provision mechanisms. The international discourse demands that NGOs step away from the direct provision of social services, and engage more in the promotion of "demand for good governance", which means, reinforcing civil society so that it is able to ensure compliance with the principles of rule of law, management of the national budget and the effectiveness of national institutions. How have NGOs reacted to these recommendations?

10. Humanitarian aid: Spain usually dedicates a smaller amount of aid to humanitarian aid, in comparison with other members of the Development Assistant Committee of the Organisation for Economic Cooperation and Development (OECD-DAC). Nevertheless, in the last few years, several humanitarian missions have been carried out offering vast learning experience. Within the government, intervention capacities are distributed between the ministries of Foreign Affairs, Defence and other actors, such as the agencies of the autonomous communities and development NGOs, each of which have their own experience. In the international context, a consensus around the Good Humanitarian Donorship Initiative is being established. What should be done to guarantee professionalism and effectiveness of aid in humanitarian crisis situations? How do governmental and nongovernmental actors relate to each other? Who coordinates the humanitarian action?

11. Strengthening democratic institutions in fragile States: The new wars seriously affect development opportunities in the countries that experience them. The United Nations has begun to develop the concept of "human safety" as an expression of the necessity to offer an integrated answer to the reconstruction of these States. With regards to bilateral action, the link between underdevelopment and terrorism present in some discourses, seems to have revitalised the interest in ODA. In spite of the consideration of fragile States as "fertile ground" for global terrorism, development cooperation policy should not reduce itself to the security agenda, but it should maintain its objective of fighting against poverty. In this context, the Spanish development cooperation policy must confirm its devotion to the concept of human security, which includes the right to live without misery, without fear and with dignity. The Spanish State must make effective its will in participating in integrated missions which include military, diplomatic and development cooperation responses. What are its capacities - civil and military - to contribute to long lasting interventions, that favour the construction and reinforcement of effective democratic institutions as the only "exit strategy" of the international community?

12. Middle-income countries: Spain assigns more than 50% of its ODA to middle-income countries, especially due to its historical ties with Latin America. The current discourse about aid and its instruments arises mainly from the experiences of low-income countries, as a large part of their budget depends on the reception of ODA. This model cannot be applied successfully in middle-income countries in which there is poverty. For these countries, the donors have to value the ability and willingness of the State to transform its relative richness into achievements in terms of human development. If we maintain that middle-income countries should receive aid, we should have asked ourselves: How should the ODA be configured so that it reduces poverty and inequality? Is this strategic perspective being adopted in the Spanish ODA provision to middle-income countries?

13. Sub-Saharan Africa: Africa is the world's poorest continent and where the ODA has had the lowest impact in achieving economic growth and human development. The Master Plan 2005-2008 defines five priority countries and five special attention countries in sub-Saharan Africa. Moreover, Spain has signed an agreement with the World Bank to create a trust fund that will act as a quick disbursement mechanism. The fund will be administered by the World Bank and will function as a channel to alleviate bilateral debt on behalf of the Spanish government as well as co-financing operations of the World Bank. Does Spanish development cooperation have a specific

strategy for the African continent? What should the key elements for an African strategy be?

14. Aid and democracy: In the nineties the State has returned to the centre of the development debate, as to act in two ways, as a democratic space and as an efficient regulator. Democratic States not only protect better the human rights of its citizens, but they also ensure a safe and stable environment for domestic and foreign investment. Development cooperation influences in two ways in the quality of democracy: (1) explicitly, through democracy promotion programmes. These are technical assistance programmes and projects focused on the institutions that occupy the public space between civil society and the State, such as justice, political parties, media groups, the civil service, the tax system and anticorruption, among others; (2) furthermore, whatever development cooperation intervention has an implicit effect in strengthening or weakening the national institutions of the recipient country. In countries that have a large part of their state budget conditioned by the reception of official development aid, there can be seen the erosion of the institutions in their democratic dimension as well as in terms of efficiency. Lately, it has been suggested that the implicit effects of institution building are deeply related to the way of supplying ODA, be it through projects, budget assistance or technical assistance. How is the impact of ODA and its institutional effects in the recipient country perceived? How is the ODA integrated in the constitutional control mechanisms of the recipient country, such as parliaments, the budget control, the press and the implication of citizens?

15. Empowerment: Empowerment has turned into the paradigm of development theories. This concept has allowed for the individuals and societies that until now have been marginalised from decision-making processes to be the central axis in interventions. However, diverse obstacles like the lack of agreement upon its definition and the limited empirical work related to this approach has impeded its adequate incorporation into international development cooperation policies. How does official development cooperation and non governmental actors put into practice the concept of empowerment?

5. Participants in the virtual forum

The participation in the virtual forum will be structured, mainly, in two ways: on one hand, there will be “speakers” – academics, members of NGOs, ministries, and from both centralised and decentralised development cooperation agencies, parliamentarians, civil society representatives and representatives of the corporate sector, from Spain as well as from countries in the South and North – that will be invited, due to their wide knowledge and experience in the subject, to contribute to the debate. . On the other hand, “observers” will have access to the texts and contributions of the rooms in the forum, and will have the opportunity to make comments in an open space.

In total, there are four different ways to participate in this forum:

- **Moderators:** FRIDE will act as a moderator, preparing the technological space and contributing with the introduction and the background documents of each room.
- **Speakers:** Experts invited to make brief contributions of approximately 1000-2000 words (still to be decided).
- **Commentators:** Their main function will be to make comments and suggestions based on the documents available in the rooms of the forum.
- **Observers:** They will have access to the contributions in the rooms and they can make comments in an open space of the forum.

FRIDE hopes to promote a process of auto-coordination amongst the participants. The selection process for speakers will be done in conjunction with an Advisory Board, comprised of academics and representatives from NGOs and governmental organisations.

FRIDE will guarantee the anonymity of those participants that hold a public position and that so wish it. The anonymity shall be extensive to all participants that request it for solid reasons.

FRIDE commits itself to involve speakers from both the South and the North, which means, from recipient countries, governmental and academic surroundings, as well as NGOs from other donor countries apart from Spain. To ensure participation, the texts of the forum will be translated into both English and Spanish.

6. Events

Before and after the virtual forum a series of events in the autonomous communities will be organised so as to inform about the consultation process and to promote a more in depth debate on some of the topics of the project. The hosts of these events will be the main research institutes of the autonomous communities and, through them, the target groups of this process will be brought together.

The forum will conclude with a conference that will offer a space for debate and the exchange of ideas, as well as providing the administration the chance to react to the recommendations that will be produced from the forum.

7. Advantages

The number of core actors dedicated to development cooperation in Spain is quite small. The added value of joining the efforts of Spanish actors is the promotion of dialogue and debate in an open and participative space. This has two goals: (1) Formulating concrete recommendations that will be reinforced by an informed debate and mutual and constructive criticism; FRIDE hopes that these recommendations will be agreed upon and that their impact can be measured in two years. (2) This process will be open to the public and will be clearly documented. Based on this, a virtual library will be developed that will accommodate links to key texts, own documents and the texts of speakers. Therefore, we hope that the forum becomes a reference in terms of organisational and technological standards and that it becomes a reference point for future debate.

The format that FRIDE has chosen for this process presents the following advantages:

- The virtual forum will allow for the dissemination of the “voices of the South”, of the academic world, of civil society organisations, of development cooperation workers in the TOCs and NGOs that work on the ground.
- The decentralised diffusion of this project will include peripheral development cooperation organisations, such as those from Andalusia, Aragon, Catalonia, Galicia, the Basque Country, etc. Consequently, FRIDE assures the active participation of the main entities of development cooperation in the distinct autonomous communities.
- Some topics have already been discussed at length, while others are still waiting for solutions. Consequently, the virtual forum is going to play two essential roles: on one hand, the collection of key ideas from existing reports and studies of reference and; on the other hand, to act as a forum for reflection and debate about these ideas. The discussion approach for each room will depend on the state of the debate. The focus, however, will always be on developing viable, useful and reachable recommendations.
- The issues discussed within the virtual forum will be documented and available on the internet. The main conclusions will be collected in a final report.
- The report will sum up the general lines of debate and the recommendations that arise.
- Participation in the forum will provide speakers and participants with high visibility.

8. Challenges

FRIDE is aware of the high number of areas of diffusion and debate on development cooperation themes that exist in Spain, as well as of the high quality level of experts that participate in them. However, in too many occasions the discussion gets stalled and does not transcend the regular circles, sometimes leading to a disconnection between theory and practice. As a consequence, citizens continue to relate ODA with charity work directed to a series of poor countries. Thus, our main challenge is to stimulate development cooperation organisations to fill the open and participative space which this project offers.

Madrid, April 2006