



We are hard at work strengthening our health care system. We don't ask America to do our work for us. We just want America as a partner in helping us solve these problems.

—Martha Kwataine, Health Advocate of the Malawi Health Equity Network

Photo by: Brett Eloff / Oxfam America

# A QUIET RENAISSANCE IN AMERICAN AID

HOW US REFORMS ARE MAKING AMERICA A BETTER PARTNER IN THE FIGHT AGAINST POVERTY

APRIL 2013

Current US reform efforts intend to support countries to lead in their own development. Oxfam's inquiry shows that local development leaders are noticing—and valuing the change. However, the US government must accelerate and deepen these reforms if it hopes to meet the expectations of people in developing countries.

For too long, United States government development efforts have worked at cross purposes with the very people who are trying to lead lasting change in poor countries. For at least two decades, US assistance has been rightly derided as opaque, supply driven, and not focused on delivering the results that people in poor countries say they need.

But over the past few years, there has been a quiet renaissance in US development policy. US policy is changing, allowing more US government development officials to work more closely with leaders in developing countries, in government, civil society, and the private sector.

To find out how recent reforms, in particular Implementation and Procurement Reform, Country Development and Cooperation Strategies, Feed the Future and the Millennium Challenge Corporation, are changing US foreign assistance, Oxfam America interviewed and surveyed people involved in US development efforts—both Americans and other stakeholders—in seven countries (Bangladesh, Ghana, Malawi, Peru, the Philippines, Rwanda, and Senegal) over the summer and fall of 2012.

Those interviewed observe increased alignment with country priorities, more stakeholder engagement, and ultimately, more opportunities for local leaders to build partnerships with the US government that they didn't have before.

The policy changes have aroused controversy in Washington between hosts of interests, vested in the status quo. However, there is also a strong coalition of advocates, US NGOs and US businesses who understand that development depends on the choices and actions of people in developing countries themselves—not on donors.

Oxfam found that US reforms are helping the US government's ability to work with partners in two important dimensions:

**The Power to Decide**—Changes to US policy and practice are helping the US government to invest more aid in the things citizens and governments say they need and want.

**The Power to Execute**—New policies allow the US to partner with local institutions in ways that strengthen them, support domestic accountability, and ultimately help citizens find long-term solutions that do not require US assistance.

However, Oxfam's interviews found some frustration among recipients; from their perspective, the US government is often moving too slowly. Yet these reforms hold the promise of increasing the impact of US assistance through country and local ownership.

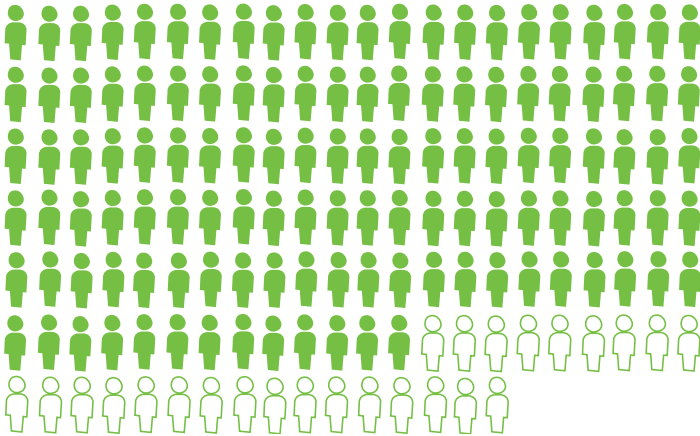
Right the Wrong



**OXFAM**  
America

# 83%

**(123 OF 148) SAID THEY SEE THAT THE US GOVERNMENT IS A BETTER DONOR THAN THEY WERE FOUR TO FIVE YEARS AGO.**



Oxfam surveyed 148 non-US government officials of the total 257 people interviewed for the study. The survey was not intended to be a statistically significant sample of development stakeholders; rather, we intended to capture a quick snapshot of how officials who are most familiar with US foreign assistance witness changes in US practice.



We always talk about doing stakeholder consultation, but in reality the [USAID] Mission writes the strategy and sends it to people with a short turn around and calls it 'stakeholder engagement.' We flipped it around with the Country Development and Cooperation Strategies.

—USAID official in Malawi



I find pride in being a Millennium Challenge Corporation and Partnerships for Growth country. It shows the world the degree of US confidence in the Philippine commitment to growth and development.

—Philippine government official



If you have a direct road or a diverted road, which way do you go? You go the direct road.

—Civil society leader in Bangladesh

## THE POWER TO DECIDE:

Respondents reported that their interactions with the US have improved, allowing them more opportunities to decide how aid is spent and to work together towards mutually-shared results. A vast majority of interviewed respondents said the US is aligning better with national government plans and with the needs of people in countries. For example:

**US officials are listening to local stakeholders more than before, and US aid investments are increasingly aligned with local priorities.**

- 1 MALAWI:** The consultation process for the USAID strategy in Malawi began by asking citizens to identify what they needed. Malawians prioritized local service delivery and local participation; USAID's strategy will prioritize capacity building on these topics in the coming years.
- 2 THE PHILIPPINES:** US engagement with local officials is leading the US to shift the scope of US investments, towards meeting the broader Filipino demand for investment in economic growth for the entire country while sharpening their focus on security in Mindanao.

**US foreign assistance is now bolstering some governments to be more responsible to their citizens.**

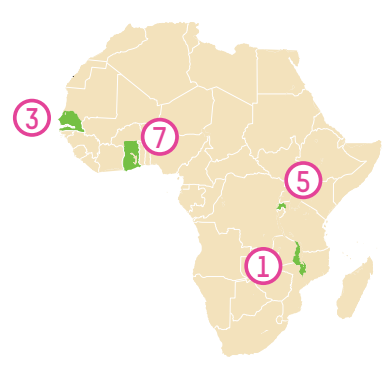
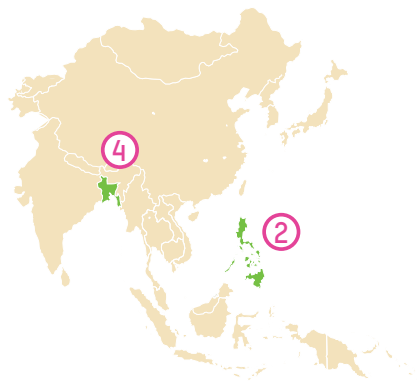
- 3 SENEGAL:** USAID set up regular policy committee meetings with Senegalese government counterparts. The meetings give Senegalese officials an opportunity to push back on US officials when US projects are inconsistent with what Senegalese citizens are asking for.

**The US is working much more closely with other US agencies and other donors in many circumstances.**

- 4 BANGLADESH:** US technical assistance helped the Government of Bangladesh strengthen its plan for national agricultural development. As a result, the Government of Bangladesh has been better able to organize the efforts of other donors, stakeholders and US agencies for more collaboration towards delivering stronger results on Bangladeshi priorities.

# PEOPLE ARE SEEING CHANGES IN US POVERTY-FIGHTING AID AROUND THE WORLD

When we try to substitute US decision-making for local decision-making, we often undermine the very leaders we need to support. In these cases, the US government is showing that it is again learning this lesson.



USAID's shift to government-to-government [direct support] is a positive step. Development results will be more sustainable and owned by the government of Rwanda and the people of Rwanda. When you use our country systems, it helps us build local markets and strengthens our economy.

—Senior official, Rwandan Ministry of Finance



NGOs used to tell me what the priorities are in my district, now they are asking us what our priorities are. Through the designing of the Feed the Future roads program, we've prioritized the needs of the people. We've empowered the people.

—Mayor in Rwanda

## THE POWER TO EXECUTE:

A vast majority of interviewed respondents noticed an increase in US capacity building efforts in their country, an indication that the US is shifting towards institutional development rather than service provision. They also said direct assistance to local civil society and governments would be much more helpful in their efforts to achieve development outcomes. For example:

**In some countries, US collaboration with government systems has encouraged citizens to demand more from their government.**

**5 RWANDA:** US plans to fund the Rwandan government to build feeder roads led villagers to demand faster action from their government, rather than blaming USAID for delays.

**6 PERU:** USAID technical support is helping local mayors work with the national government to meet locally-determined municipal priorities.

**Working directly with governments and civil society helps the US achieve more results with less money in some places.**

**4 BANGLADESH:** The US helped strengthen the financial system in the Ministry of Agriculture allowing the Ministry to leverage more resources from other donors.

**1 MALAWI:** One civil society group in Malawi has been both a direct and indirect recipient of US funds. They note that as a direct partner, they are able to achieve much more with much less, they are already on the ground with their programs, and the relationship allows them to be much more responsive to local needs as they change throughout the project.

**In some cases, increasing direct relationships with civil society has strengthened citizens' ability to hold their government accountable.**

**7 GHANA:** Policy changes are permitting the US for the first time to join a pooled donor fund to support local civil society organizations tasked with holding their local district governments accountable for their development commitments.



48% of Rwanda's national budget comes from donors. Our home revenues cannot handle every citizen's concerns, but good governance and transparency requires funds to be allocated according to our needs.

—Alexis Nkurunziza, Collective Leagues and Associations of Defense of Human Rights

## RECOMMENDATIONS:

Support countries to determine and lead their own development.

Through this inquiry, Oxfam has uncovered ways the US government can correct some early challenges to the reform process and build on their positive momentum to become a better global development partner.

There are three urgent needs in particular:

**1. Strengthen US tools to integrate priorities and feedback from host country stakeholders**, and reduce—or eliminate—US policies that prevent US foreign assistance from responding to country-determined needs.

Ways to do this:

- Communicate transparently with development stakeholders and current partners on the results from stakeholder engagement, embracing technological solutions where appropriate.
- Remove earmarks from US foreign assistance.
- Invest in a systematic effort to make sure that the perspectives of a broad array of people, including the most marginalized, are heard and brought into a continuous dialogue with the US government and their own governments.

**2. Strengthen investments in government institutions** to ensure they can provide more effective and accountable leadership of development.

Ways to do this:

- Share results of US government risk assessments with all relevant stakeholders, making them public where appropriate.
- Provide funding that better responds to demand-driven needs and demand-driven capacity needs (including provision of budget support).

**3. Invest more resources and effort in direct engagement with local civil society groups** to help them claim more leadership over development programming.

Ways to do this:

- Improve mapping, assessments, and indicators of success for investments in local civil society groups.
- Communicate intentions at the local level much more clearly and realistically to help partners adjust their work.
- Expand investments in democracy, governance, and accountability.

Oxfam's findings illustrate some of the changed relationships between the US government and governments, civil society and private sector partners in Bangladesh, Ghana, Malawi, Rwanda, Peru, Philippines, and Senegal. The fight now is to ensure that these reforms prevail politically in Washington and to accelerate their progress and impact, in order to restore the United States' historic role as a global development leader.

- Oxfam America is a global organization working to right the wrong of poverty. Oxfam America doesn't take federal funds, but it does support effective development programs. Oxfam believes that supporting effective aid now reduces the need for more aid later.
- The U.S. government spends less than 1% of its budget on poverty reduction and other life-saving assistance. Oxfam is working to ensure this US foreign assistance supports local actors to take action and change the circumstances which place or keep them or their fellow citizens in poverty.
- The people interviewed and featured here and in accompanying publications are not necessarily receiving direct assistance from Oxfam.

