



Institute for Security Studies

PAPER

South Africa and aid effectiveness

Lessons for SADPA as a development partner

INTRODUCTION

South Africa is coordinating and integrating its aid and development cooperation activities in establishing the South African Development Partnership Agency (SADPA). With a projected annual budget of R500 million (approximately US\$ 50 million)¹ South Africa has the resources to achieve measurable impact on the African continent, although the size of its budget and its technical resources are smaller than those of many traditional donors. If South Africa is to be comparatively effective, SADPA will need to deliberate on how to position itself in relation to traditional donors, emerging development partners, as well as the national structures set up to co-ordinate incoming aid at country level (hereafter referred to as national aid architectures).

These institutions increasingly dominate the aid decision-making and negotiation (dialogue) space. South Africa's vantage point (as an African country with common experiences and a common African agenda that affords it legitimacy and, therefore, access to the region) enables it to have a partnership-based approach. This allows it to intervene in what are often sensitive areas, including peace support operations and mediation. South Africa's success as a development partner will depend on SADPA capitalising on peacebuilding activities and post-conflict development interventions in a strategic manner that differentiates it from other players in this arena.

South Africa has already engaged in peacebuilding and development activities in many African countries. In 2013, Cheryl Hendricks and Amanda Lucey, on behalf of the Institute for Security Studies (ISS), reviewed the

impact of South Africa's programming in the Democratic Republic of Congo (DRC), Burundi and South Sudan in a study called 'Enhancing South Africa's post-conflict development and peacebuilding activity in Africa'².

The results show that South Africa has a number of comparative advantages, as well as notable successes. However, South Africa also faces implementation and policy challenges, some of which are shared by other development partners and donors.

This paper contends that South Africa is yet to comprehensively engage with national aid architectures and is thus only tangentially part of the aid effectiveness debates and policy dialogue – especially at partner country level. There are evident opportunities to improve programming in coordination with and complementary to traditional and other emerging donors and development partners.

As an emerging development partner, South Africa has interesting opportunities to develop its own capacities by gathering lessons learnt and best practices from other international actors in similar situations. South Africa can also benefit from engaging in aid architectures as a means of sharing best practices, gaining influence and visibility and improving its capacity.

The paper first explores South Africa's role in the regional context, then looks at the considerations for South Africa as a development partner. It draws on the findings of ISS research (cited above) to identify specific advantages in capacity building, implications for risk mitigation and oversight, the partnership role that the Department of International Relations and Cooperation (DIRCO) can play and South Africa's approach to

ownership. The paper concludes with implementable considerations for SADPA's executive; it therefore seeks to contextualise the ISS research findings within the broader aid effectiveness debate.

SOUTH AFRICA IN THE REGIONAL CONTEXT

With the self-evident power imbalance implied by a donor-recipient relationship, it is understandable that South Africa prefers a development 'partnership' model for cooperation in Africa. South Africa is already embodying important aspects of aid effectiveness, most notably in recognising partner countries' ownership of the development process. Furthermore, South Africa is strongly committed to extending beyond its own national interests to promote and defend an 'African agenda'³.

South Africa's global influence has gathered pace through two recent terms as a non-permanent member on the United Nations Security Council; the election of Nkosazana Dlamini-Zuma, as Chairperson of the Commission of the African Union (AU) in 2012; being admitted to the BRICS economic grouping and also through its representation as the only African country in the G20. South Africa has also aimed to contribute to peace and stability on the continent through bilateral engagements and its seat on the AU Peace and Security Council⁴.

From a strategic perspective, a partnership approach is forward-looking. South Africa's National Development Plan 2030; Our Future – Make it Work (NDP)⁵ is acutely aware of the economic, political and security opportunities that arise from a meaningful partnership with countries north of the border. The rise of Africa is inevitable with the continent being the 'second most populous continent after Asia. Its current population of nearly 1 billion is expected to rise to 2.2 billion over the next 40 years'⁶.

With economic growth rates of some African countries far exceeding South Africa's own, the investment, trade and private-sector development opportunities are expected to grow exponentially. But with this comparatively faster growth also comes the threat of declining influence for South Africa. It is estimated that at current growth rates, South Africa could 'lose its status as the continent's largest economy by 2030'⁷.

While economic growth is not a zero-sum game, South Africa faces a rather peculiar challenge in that it might lose out on opportunities and influence due to the very relationship with Africa that it holds so dear. The problem is that while South Africa sees itself as a largely benevolent and productive partner or neighbour, it is not necessarily perceived as such by African decision makers. As the NDP puts it:

Within the southern African region, there is the perception that South Africa is acting as a bully, a self-interested hegemon that acts in bad faith among five neighbouring countries. As such, South Africa enjoys less support in the region than it did in the period immediately after 1994, when the country held pride of place among world leaders. Indeed the difficulty the country faced in securing the top leadership position in the African Union, reflected South Africa's waning influence, as well as a number of other factors that have limited South Africa's reach. While the issue of the African Union leadership has been resolved, a significant effort is required to increase South Africa's role and space that promotes and protects the comparative advantages of all countries on the continent towards mutual gain⁸.

Furthermore, even where the relationship is sound and there are opportunities for mutual beneficiation of the development partnership, the NDP complains that South Africa's institutions lack the technical resources or influence to capitalise on such opportunities.

Despite playing a key role in peace settlements on the continent, South Africa has gained little by way of expanded trade and investment opportunities. South African diplomats have great skill in drafting memoranda of understanding, policy statements and agreements, but lose momentum when it comes to implementing agreement terms or following up on promises of benefits⁹.

CONSIDERATIONS FOR SOUTH AFRICA AS A DEVELOPMENT PARTNER

DIRCO's 2010-2013 Strategic Plan¹⁰ responds to the concerns raised in the NDP by placing greater emphasis on the need for partnership, rather than a donor relationship, with other African countries. Central to this is the focus on greater economic integration; South Africa is a strong advocate of harmonising regional economic and trade arrangements in moving towards the establishment of a pan-African economic zone. According to this line of thinking, DIRCO repeatedly commits itself to acting not just in South Africa's interests, but also those of Africa as a whole.

A 2013 study by Neissan Alessandro Besharati¹¹ notes that South Africa sees itself as a development partner that places its aid paradigm within the South-South cooperation movement, namely, 'the exchange of resource, technology, skills and technical know-how among countries of the South to promote development'. Moreover, South Africa is committed to principles cited in New Partnership for

African Development (NEPAD) documents, including local ownership, capacity development, policy coherence, sustainability, self-reliance and the use of Africa's own resources. SADPA is to be established as a replacement for the African Renaissance Fund (ARF), as an agency under DIRCO, as a means of directing South Africa's aid activities and is envisioned to encapsulate these principles.

The ARF was established in 2000 with the broad mandate of funding 'activities of cooperation, democracy and good governance, conflict resolution, social and economic development, humanitarian and disaster relief, technical cooperation and capacity development'¹². However, as is the case with similar newly established mechanisms, the ARF suffered from a number of problems, including bureaucratic and structural delays, poor coordination and lacking strategic direction – leading to reactive projects. Projects could also have been strengthened with project management, monitoring and evaluation (M&E) and expenditure-tracking mechanisms¹³. The restructuring of the ARF into SADPA is therefore envisaged to address these issues.

The stated preference for being seen as a development partner as opposed to a donor is also being pursued by other emerging powers. Brazil and Venezuela both act as development partners to Bolivia, for example, providing vast sources of loan financing in a relationship negotiated at the head of state level. Similarly, India sees itself as a development partner rather than a donor to Bangladesh, and is also investing heavily in national infrastructure – particularly transport. These examples offer interesting comparisons in that Brazil, India and Venezuela all perceive themselves as more friendly or honest development partners to Bolivia and Bangladesh than traditional Western donors.

Nevertheless, all are subject to regional power politics and power imbalances. Just like many European officials struggle to understand how European influences can be seen as a threat to partners, so too do emerging powers struggle to grasp how they can be seen as a threat by smaller countries. This dynamic can even be seen in emerging Europe, where in 2010 Romania became the second-largest bilateral development partner to Moldova, at least in terms of financial commitments¹⁴. South Africa's policy makers are evidently aware of these power dynamics – as cited in the quotes from the NDP above – in approaching cooperation from a partnership perspective. South Africa's partnership approach, however, could benefit from benchmarking or learning from those traditional donors that have tried – and often failed – to overcome this power imbalance.

Both donors and development partners often make the mistake of presuming that the solutions (for example, peacebuilding or economic-growth related) they are

offering are simply technical, when in fact the partner country sees them as deeply political.

For example, when Western donors call for greater transparency or better procurement, they often do so in the belief that transparency or procurement is an uncontested *technical feature* of governance, when in fact its use as a concept is deeply politicised and seen as such by beneficiary (partner) countries. Very little of what donors can do is seen as purely technical support. Even offering capacity building is often misinterpreted as a judgement by donors on government competence, or as a means of unduly influencing policies. After all, when a government accepts capacity building or support to improve procurement, those in the opposition could use this as an acknowledgement by the elected government that it is not up to the job.

In terms of managing the risks associated with this aspect of cooperation, South Africa has the advantage in that it too receives support from development partners, and can therefore draw on its own experience as a recipient to guard against political interests and suspicions in its own programming. Similarly, by consulting more with those officials who are responsible for managing aid received, South Africa can guard against the more combative aspects of cooperation partnerships that often plague established donors and development partners.

Being sensitive to the unexpected political ramifications should also be accompanied with a constant view on the political incentives that drive the narrative of South-South cooperation and development partnerships.

At the New Delhi Conference of Southern Providers that took place in April 2013, participants sought to distinguish 'South-South' cooperation from 'North-South' cooperation by painting the North as being historically obliged to provide aid. This notion, that northern donors are motivated only by historical guilt or indebtedness to the global South, often inhibits learning from mistakes made and good practices deployed by northern partners.

While there is an argument to be made for northern indebtedness, many such donors perceive no historical obligation to Africa because they were never colonial powers in the region. Canada, the US, Ireland, Switzerland and all of Scandinavia, for example, have no colonial legacy to speak of, and therefore employ a 'realpolitik' approach when programming aid.

As such, South Africa should guard against dismissing northern approaches as being fundamentally different, and should rather use them for the insights and lessons that can be drawn from them. As has been noted extensively in literature relating to the anthropology of development literature¹⁵, development cooperation is too often compromised by a sense of moral superiority, which allows development partners to rationalise that mistakes made by

others are due to compromised interests, rather than the challenges of the context at hand.

If South Africa is to avoid repeating mistakes made by other development partners (and donors), it must avoid an analysis grounded in a presumption of South Africa's superior motivations. Instead, policy makers should continue the South African tradition of holding itself to the same critical scrutiny as it quite reasonably levels on other donors and development partners.

South Africa must also be aware of the tensions inherent in being a development partner; a label that implicitly emphasises the terms of implementation rather than financial clout. Often, the real power in development cooperation lies with beneficiary country and the donor decision-makers, because ultimately they (and not the development partners) dictate what is financed and which activities will be implemented.

Behind closed doors, the term 'development partner' is often cynically dismissed as being nothing more than an obvious attempt by cash-strapped international organisations to influence donor- and government-financing decisions. For South Africa this means that branding itself as a development partner may help to overcome the negative associations of being a donor, but it should be balanced with the need to exert influence in the sphere of major government-donor financial decision-making.

Cynical appropriation of the term 'development partner' aside, there is an important differentiator that gives some international organisations reason to argue that they have a competitive advantage over South Africa. International organisations such as United Nations (UN) agencies are answerable to their own governance structures in which the beneficiary (partner) country itself sits and votes. This makes such international organisations truly accountable to the beneficiary (partner) country, because the partner country endorses or rejects decisions made by the organisation.

South Africa, on the other hand, is only accountable to the beneficiary (partner) country through the terms of what are, in practice, unenforceable¹⁶ memorandums of understanding (MOUs) or grant contracts. South Africa and the beneficiary country are accountable to very different electorates, meaning that whether acknowledged or not, South Africa's ability to act as a 'partner' is entirely shaped by its relationship with its voters – and not the particular needs of the beneficiary country.

While this is true for all other government-financed agencies across the world, it puts South Africa at a structural disadvantage when competing for influence with trusted development partners who have a level of accountability to the beneficiary. Furthermore, the more SADPA features in the national budget, the more South

Africa will need to balance its desire to be accountable to the partner country with that of the South African public, which has become increasingly critical of government spending in recent years. For example, South Africa's deployment to the Central African Republic (CAR) came under public scrutiny after the deaths of 14 soldiers in March 2013¹⁷, as did the cost-effectiveness of expenditures under the ARF¹⁸.

At the same time, because South Africa is answerable first and foremost to its own electorate, its effectiveness as a development partner is always checked by the partner country's support for South Africa's foreign policy principles¹⁹, which include commitments to:

- The promotion of human rights;
- The promotion of democracy;
- Justice and international law in the conduct of relations between nations;
- International peace and to internationally agreed upon mechanisms for the resolution of conflicts;
- Promote the African Agenda in world affairs; and
- Economic development through regional and international co-operation in an interdependent world.

South Africa is increasingly acknowledging that a partnership among equals would be framed within its commitment to its foreign policy principles. At the 2013 New Delhi conference, South Africa recognised the need to balance principles of non-conditionality and sovereignty with a rights-based approach that is entirely contextually determined²⁰.

For example, South Africa is currently balancing its existing partnership with South Sudan, where human rights violations in Jonglei need to be considered along with the need for continued political and policy dialogue that promise a resolution. South Sudan has also refused to participate in the International Criminal Court (ICC), with other African 'partners' also reluctant to abide by principles of international law.

At an extraordinary session of the AU in October 2013, AU heads of state called for deferring the trials of Kenyan President Uhuru Kenyatta and his Deputy, William Ruto, to be suspended until their terms in office had been completed²¹. South Africa is also under pressure to reconcile its commitment to regional economic integration with the fact that many African partners – for example in the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), and in relation to the slow progress on Economic Partnership Agreements – do not actually support such integration²².

In this context, there are evident opportunities for South Africa to work with or in complement to the G7+ group's 2011 New Deal for Engagement in Fragile

States²³, because it makes important steps to creating a new context for how sensitive issues (such as those raised above) can be monitored and addressed with partner countries.

The New Deal is a pledge by development partners and partner countries to commit to mutually agreed priorities that are intended to strengthen governments' ownership of their development processes in fragile contexts. In such contexts, governments and development partners agree on a 'compact' or type of contract, by which they mutually focus on systemic issues. These issues range from human rights abuses to ensuring aid is programmed on budget. The New Deal also fleshes out tangible indicators that could be beneficial in considering the boundaries that separate a donor from a development partner relationship. For example, the New Deal calls for trust building, risk sharing, greater transparency and a compact to monitor and check progress.

With South Africa's programming strongly invested in conflict and post-conflict countries, engagement with the New Deal could be an opportunity for South Africa to better communicate its status as a preferred development partner. A good example of this is in South Sudan, where the New Deal is currently being transformed into a compact at country level. South Sudan has repeatedly called for a gradual transition from northern-sourced capacity development and support to that from the region. South Africa's history and experience in training civil servants could feature in the compact, although it is not abundantly clear to which extent DIRCO has deployed technical and human resources to South Sudan's aid architecture, through which the compact is currently being designed and negotiated.

SADPA must therefore be aware of the tensions that are inherent in the concept of it being a development partner, and what this means in terms of its future engagement. South Africa has already been actively involved in peacebuilding and development activities on the continent and these experiences can be to guide future SADPA engagements. The following section outlines them within the broader aid effectiveness debate.

SOUTH AFRICA'S PREVIOUS ENGAGEMENTS: FINDINGS AND RECOMMENDATIONS

As noted in the aforementioned research, South Africa has been involved in a variety of peacebuilding efforts, notably in the DRC, Burundi and South Sudan²⁴. These included governance-related assistance, such as the drafting of frameworks and laws; capacity building, such as the training of diplomats and civil servants; information-sharing exchanges and workshops; implementation support, for example assistance with electoral materials; infrastructure

development and economic trade and development activities.

In general stakeholders in the three case-study countries spoke favourably of South Africa's engagements. South Africa was often described as a 'big brother' with comparable experiences to share, and a more similar developmental trajectory to that of Western countries. Nevertheless, South Africa increasingly risks being seen as vested predominantly in a narrow margin of self-interest within the economic sphere, with some stakeholders observing South Africa's push towards trade-based relations.

Despite the wide range of engagements, South Africa's perceived impact has been limited. In general, MOUs signed were not followed up on, and interventions undertaken appeared to be ad hoc. Engagements were predominantly in terms of once-off information sharing exchanges or short training programmes and there was limited follow up. It was therefore recommended that SADPA develop a strong vision and strategy to guide its engagement. The research findings therefore gave credence to the creation of SADPA as a vehicle for coordinating and focusing South Africa's efforts. A key point was the limited engagement by South Africa with civil society, other non-state actors and other donors. In addition, South African interventions have been predominantly justified as demand driven, but there is evidence to suggest that it has not always been in line with South Africa's interests and capabilities²⁵.

Capacity-building activities were carried out by, for example, the Policy Research and Analysis Unit (PRAU) within DIRCO, who trained diplomats. Stakeholders involved in the training of diplomats believed that, despite the challenges, this was an activity that South Africa should continue with. The projects undertaken by the Public Administration Leadership and Management Academy (PALAMA), for example the training of the civil service under Project Khaedu in Rwanda, Burundi and South Sudan, presented many challenges. Stakeholders felt that these capacity-building exercises were too short, geographically limited and lacking context; all speaking of a need for increased M&E.

Research results pointed to the need for South Africa to identify and focus on its strengths, for example security sector reform and gender mainstreaming, and aim to not simply replicate projects. South Africa is also believed to have a better appreciation of local context, although this was not always the case. Indeed, comments emerging from the interviews conducted for the ISS research project indicated that training by some South African institutions exhibited a 'one size fits all' approach, or that there had been limited consultation with stakeholders prior to the development of the training curriculum.

Despite certain shortcomings, donors have recognised that South Africa has the advantage of access. It is therefore unsurprising that South Africa has increasingly engaged by means of trilateral cooperation; with donor countries providing funding and South Africa providing expertise. As recommended in the ISS policy briefs on Burundi, South Sudan and the DRC, South Africa must invest in building its expertise on post-conflict reconstruction and development (PCRD) and peacebuilding experts with a specific understanding of Africa²⁶.

Furthermore, the research revealed that there was a high staff turnover both from South Africa's side and that of the partners, and that this affected the delivery of projects: thus the recommendation for the development of an effective knowledge-management system that will promote continuity²⁷.

It is worth noting that some of the findings regarding South Africa's previous engagements are not new to development partners and donors. Similar issues have been faced by other actors in the development community and as such, lessons can be gleaned from the way others have addressed such issues. Some of the challenges highlighted above will be juxtaposed to current practices and themes in the aid effectiveness debate.

SOUTH AFRICA'S ADVANTAGES IN CAPACITY DEVELOPMENT

While some might argue that training diplomats is purely a means of strengthening inter-governmental relationships, South Africa's training of partner-country diplomats appears as an interesting and potentially catalytic activity that may present a unique comparative advantage. The importance of diplomats having strong representational and negotiation skills cannot be underestimated. If African countries are to ensure mutually beneficial access to markets and to international decision-making, they must have skilled and competitive diplomatic services.

This has been recognised by other donors before, but while many donors have the skills to develop the capacity of African diplomats, South Africa has the advantage in its common experience with partner countries. Without this shared experience, traditional donors struggle to create the necessary trust with African countries that is essential for capacity development in this sector. Furthermore, it is too easy for critics to question developed countries' motives by arguing that they are simply using 'capacity development' to unduly influence African decision-making and gather intelligence on African negotiation strategies.

For these reasons, Switzerland has long been able to leverage its reputation of neutrality to train developing countries' diplomats. Canada also attempts to position itself as a benevolent force, particularly in supporting developing countries with environmental negotiations.

South Africa, however, might be better placed to adopt a similar approach to Croatia.

Croatia trains diplomats and negotiators through its Centre of Excellence in European Union (EU) candidate countries, using its experience facing similar challenges in its own accession to the EU as added value. The need for support to diplomatic functions is already significant and even recognised by the private sector. Independent Diplomat, for example, is an international NGO that provides high-value (and high-cost) services in sensitive areas such as Somaliland's efforts for international recognition. Organisations like the HD Centre and Carter Centre also develop or provide capacity to diplomats, although largely in peacebuilding, negotiating and conflict resolution. At the same time, it is important to note a Cape Town-based South African consultancy firm, One World, which is gaining recognition as a best-practice service provider mainly in supporting African countries on environmental negotiations.

In line with DIRCO's stated policies, one strategy would be for South Africa to carefully craft an approach and message that emphasises the country's shared experience with other African countries. This will help to draw attention to the role it can play in negotiating and defending African interests on the international stage.

In this regard, South Africa could quite feasibly become the service provider of choice while developing capacities in partner countries to negotiate and defend Africa-wide interests. Furthermore, because of the potential for a good trade deal or international agreement to catalytically change private-sector opportunities, and even citizen access, to services, there is a very interesting developmental argument to be made for financing this activity. SADPA should partner with South Africa's leading private-sector organisations, universities and research institutes to start identifying thematic areas and building the necessary skills in which there are opportunities of mutual benefit. These could include strengthening capacities to take advantage of and shape trade, telecommunications, financial transfers and regulations, migration, security and environmental protocols, among others.

At the same time, South Africa's approach to training diplomats is strategic and timely. In South Sudan and other African countries, increasingly more attention is being given to sourcing capacity regionally. South Africa is a cost-effective and arguably more trusted service provider. This would allow it to ensure more sustained interventions. In terms of developing public-sector capacity, whether through PALAMA or its universities, South Africa has a comparative advantage – although it should be mindful of the need to differentiate itself from similar support provided by Kenya, Uganda and Ghana among others, and how it can portray its unique advantage to beneficiaries.

Although costly, better results-based management (RBM) and M&E systems could also fundamentally improve knowledge transfer and implementation. Here it might also make sense to work more closely with like-minded donors and development partners to promote the use of joint M&E systems, which have demonstrably reduced the costs in comparable contexts.

RISK MITIGATION AND OVERSIGHT

South Africa has signed a number of MOUs with other African countries, including the DRC and Burundi. On occasion the practice of signing MOUs at the highest levels has affected the speed of implementation; either being gauged too high or too low for action (as is also noted in the NDP and the paragraphs below on ownership).

There has also been limited engagement and consultation amongst stakeholders prior to the signing of these MOUs. In some cases, the signing of MOUs was followed with sector-level meetings to determine specific areas of cooperation. Moreover, agreements have predominantly been signed on a demand-driven basis and in the absence of an overarching strategy. MOUs signed at presidential/ministerial level can affect South Africa's credibility if they are not sufficiently translated into action – but this requires the buy-in of stakeholders on a sectorial level, as implementing a project that has not been subject to sufficient scrutiny is also risky.

South Africa knows more immediately than most developed countries how difficult it is to tackle poverty and implement projects at community level in a transparent and cost-effective manner. These challenges increase incrementally when implementing projects in a foreign country and context.

This is not unique to South Africa: traditional donors routinely endure scathing public and political attacks when projects go wrong. For example, when it came to light that funding to the health sector in Zambia had been misappropriated in Sweden, the political backlash was vast and enduring, with government officials accused of being irresponsible. The same could happen with South Africa's peacebuilding engagements and SADPA should be resourced to demonstrate sound analytic, programme and risk management skills.

While South Africa has some project management skills base, the capacity to ensure transparent procurement, manage and audit projects abroad will need to be visibly strengthened if South Africa is to credibly justify how it spends these resources abroad. More problematically, however, South Africa – as with many other donors and development partners – will continue to struggle sourcing the analytic skills needed to accurately gauge contextual risks in what is often a rapidly changing foreign environment.

SADPA's main entry point is through the foreign affairs ministries of partner governments. However, ministries of foreign affairs are representational at best when it comes to speaking to national development policy and strategy. In many countries development partners and donors have made the mistake of financing 'vanity projects' rather than real needs, and this is largely because they respond to requests from a ministry of foreign affairs without vetting it against national development policies. This is even worse in situations where line ministries work in silos and ministers tend to compete, rather than cooperate with each other.

As South Africa has acknowledged in establishing SADPA, it needs to complement a diplomatic relationship with a developmental partnership. South Africa's relevance as a development partner is entirely contextualised within the partner country's development planning, financial management and line ministry infrastructures. SADPA should not underestimate the time and resources needed to analyse and contextualise cooperation within partner country national planning systems.

South Africa could also do better to use its so-far untapped access to existing donor coordination structures to check coherence, minimise risks and take advantage of already existing analysis. For example, it is increasingly becoming a routine practice with donors and development partners to reduce risk by consulting on new projects in sector working groups before agreeing to finance them²⁸. This approach has been very successful in other countries in matching development partners that will invest in the once-off construction of facilities (such as HIV/AIDS clinics) with those partners willing to finance on-going recurrent costs that ensure a return on the capital investment. SADPA should be advised to consider its consultation process with different sectors of society in relation to proposed projects, and to engage with existing donor structures to check coherence or minimise risks.

More importantly, SADPA representatives at country level should participate in coordination structures that influence South Africa's projects and, more importantly, strive to participate or influence the policy dialogue that is institutionalised in these structures. Policy dialogue is the most important aspect of development cooperation, because it is the only opportunity to address structural impediments to sustainability.

DIRCO'S PARTNERSHIP MODEL

For an emerging development partner, DIRCO's model should be seen as a best-practice in its demonstrable commitment to engage with critical voices and partner with South Africa's NGOs, private sector, university and research institutes. While relationships such as these are sensitive because they lend themselves to competing

views, creating space for critical engagement is vital to testing assumption and managing risk when programming in complex environments.

In the past, South Africa has entered into agreements with such institutions, for example with UNISA in the training of civil servants in South Sudan, and with the Department of Higher Education in developing exchange programmes at South African universities for foreign students. ACCORD, a South African NGO, has implemented peacebuilding interventions through funding by DIRCO. However, there is no defined policy for engagements outside of the public sector. ISS research has also identified the need for South Africa to build a credible pool of post-conflict development and peacebuilding specialists.

As with most other donors, the extent to which South Africa will be an effective development partner will be structurally shaped by the organisation that is birthing SADPA. It is essential to keep in mind that DIRCO, regardless of its forward-looking policies and intentions to be otherwise, is first and foremost, tasked with defending South Africa's reputation and decisions abroad. While this behaviour is part and parcel of diplomatic communication protocols, in development cooperation it can be an enormous impediment to building partnerships in addressing challenging problems that often relate to potentially sensitive governance issues. Recognising mistakes, identifying and consulting on them and transforming them into better programming is the lifeblood of development cooperation, and is a practice that DIRCO should protect and ensure features prominently in SADPA.

This problem is far from unique and one of the key motivations for traditional donors establishing or investing in analytic resources outside of government. The UK's Overseas Development Institute, the US's vast network of university and private-sector think tanks, the World Bank Institute and the European Centre for Development Policy Management, among others, are supported specifically to ensure space for critical research, analysis and reflection, which is impossible in government departments.

Development cooperation is almost always about addressing often intractable problems with no obvious solution, and thus requires a reflexive approach and organisational culture that is open to criticism and aims at actively identifying and reporting on mistakes as part of continued lesson-learning. All of the emphasis on aid effectiveness and M&E is about checking assumptions and calling attention to poor donor- and partner-government decision-making, in order to prevent them from being repeated.

Furthermore, development cooperation is becoming increasingly more complex and context-specific. New tools such as resilience- and political-economy analyses

combined with increasingly sophisticated approaches and methodologies mean that credible development partners need to source and develop the kind of specialist expertise that is difficult to retain in line ministries. SADPA is no different; it needs to source specialist expertise if it is to continue to be credible and contextualised. In this regard, SADPA might consider investing in its relationships with South African universities, research organisations, NGOs and the private sector, particularly in building greater institutional capacities in a coherent and specified manner to provide the sort of analysis and technical inputs SADPA will rely on.

SOUTH AFRICA'S APPROACH TO OWNERSHIP

The notion of local ownership is increasingly dominant in the aid effectiveness debate, as it ensures that the country partner has a stake in the success of a particular project or initiative. The 2003 Paris Declaration on Aid Effectiveness and more recent agreements such as the 2011 Busan Partnership Agreement and 2012 New Deal for Fragile States emphasise this idea, although the need for local ownership predates these international agreements.

Broadly speaking the 2003 Paris Declaration is a commitment to good practices that will strengthen the partner government's control of development cooperation. It focuses on ensuring that projects are owned by partner governments, in alignment with national development plans. Development partners commit to harmonising their projects around common goals and priorities so that government has fewer reporting and monitoring requirements. In practice this harmonisation takes place in national aid architectures, in which policy dialogue is focused on the RMB of development cooperation and creating a space for mutual accountability by government and its development partners.

When there is no demonstrable ownership in a project, development partners are investing in outputs that are not wanted by the partner country. Delivering unwanted outputs is almost always a waste of resources and ineffective. Some argue that there are exceptions in cases where development partners believe that the partner government *should* want the output delivered. However, even this exception is largely incorrect, because where development partners intend on convincing partner governments to desire different outputs, their focus should be on policy reform and dialogue before delivering an output that is not supported by the partner government.

South Africa has endorsed aid effectiveness principles, including the Busan Partnership for Effective Development Co-operation, the Paris Declaration and the Accra Agenda for Action²⁹. However, previous engagements by South Africa in the DRC, South Sudan and Burundi show that

rather than embracing these principles, projects have often been limited to once-off information sharing, unsustainable training and lacking context. In this regard, ACCORD has provided a useful model for engagement in terms with peacebuilding. The organisation also has offices in Burundi, South Sudan and Somalia and operates closely with institutions and civil society in these countries to develop context-specific programmes that are directly correlated to needs. South Africa should consider models of engagement that allow for this kind of sustained intervention³⁰.

The aid effectiveness principles of *ownership and alignment* that South Africa subscribes to, mean supporting partner country governments to implement *their own* national and sector development policies. The problem is that it is very difficult in a foreign context and culture to understand what there is actually ownership of. This challenge is even more acute when a donor is prepared to offer financial investments that in themselves create a perverted incentive. Ensuring that projects respond to existing ownership structures is probably the single biggest challenge facing donors today. It is the reason more traditional donors, think tanks and research organisations, such as the ISS, are increasingly investing in context- and political-economy analysis. It is also a significant motivation for policy dialogue and among the most commonly cited reasons for development projects failing or being unsustainable.

The concept of ownership also has to consider two separate notions: ensuring ownership from the side of the recipient country and examining how this links to domestic accountabilities and the bureaucracy of the donor/development partner.

In this regard, the four most visible components of ownership include recognised government policy; designated organisational (usually ministerial/department) mandate to implement policy; and political commitment by the executive (ministers) and designated mandates and authorities of government officials (civil servants) to guarantee operational and technical delivery. Analysis that enables programming to build on existing ownership structures needs to feature more significantly in context and country analysis, both for South Africa and other development partners³¹.

The implication is that the way South Africa designs projects needs to evolve from being based on a request from a Ministry of Foreign Affairs to a problem analysis that starts with the government policy that would be supported (or aims to be changed). This requires a much more analytic approach in project design that begins with a desk study to identify the sector definitions, policies and mandates that have currency in the partner country. Here SADPA should be careful to elaborate on who 'owns' the

project that is being conceptualised and how it should be aligned to existing government mandates and decision-making structures.

All good projects are embedded at the technical and operational level and overseen at a strategic level – when development partners work exclusively at director-general, permanent secretary or ministerial level there is usually a design flaw, because implementation is not aligned with the partner organisation's implementation capacity.

At this stage the project designer needs to ask whether the project is *in support* of the government's implied understanding of the problem *or* whether the project is to demonstrate a necessary policy change. Unfortunately, South Africa's programming typically reflects a bias towards high-level dialogue on project design, which translates into projects owned at the most senior level but often not integrated into day-to-day functional planning and operations. In this context, South Africa as well as its development partner and donor peers could devote more attention to the line ministries that are responsible for maintaining infrastructures and ensuring sustained service delivery.

Even when this analysis is done, it is incredibly difficult to verify whether the apparent incentives and disincentives align with the implicit and hidden incentives that ensure government officials take ownership. For this reason, SADPA might consider following the on-going development of political economy analysis tools that are currently being piloted by the UK, US, EU and the Netherlands, among others. Alternatively, SADPA could partner with an organisation like PACT, which is already using project-based political-economy analysis to contextualise projects and reduce risk. Simply put, to be an effective development partner, South Africa needs to go beyond what is explicitly called for to identify entry points that would pinpoint which officials have something to gain by ensuring effective implementation, and how South Africa can align its project to take advantage of existing incentives and disincentives.

CONSIDERATIONS FOR SADPA

As South Africa moves towards the establishment of SADPA, it will need to be aware of the tensions and contradictions that could arise in its positioning as a development partner operating from a South-South perspective. It will need to remain aware of power dynamics and political tensions, while deciding how best to position itself as a development partner through national aid architectures, bilateral and trilateral arrangements and in multilateral forums in order to achieve maximum impact. It will also need to make choices over the various roles it can occupy; for example acting as a mediator between donors and post-conflict countries, or in promoting an African agenda. South Africa would do well to take a

systematic approach that looks at experiences of other donors and development partners within the aid effectiveness debate. In summary, there are a number of factors that South Africa should consider.

1. South Africa's access is an important comparative advantage. South Africa should continue to capitalise on its reputation, but needs to be acutely aware of developing context-specific projects that emphasise the importance of local ownership. Unfortunately, if South Africa's projects are not contextually relevant, they will actually erode South Africa's 'brand' and comparative advantage, leading to the suspicion that it knows no more about Africa than any other foreign donor or development partner. In this regard, South Africa must invest in its analytic skills as a priority. SADPA should also consider the use of political economy analysis tools in designing appropriate projects as are being piloted by other donors/development partners. DIRCO's 'political culture' could also prove invaluable to regularly check the political risks of the development partnership.
2. South Africa needs to communicate a strong vision and strategy to guide its engagements. At a strategy level, South Africa has an important niche in training diplomats and civil servants, but this should be purposefully invested in to institutionalise best practices. It has a unique strength in capacity building and access to government officials on sensitive issues, which would assist with state building in post-conflict states and enhance the ability of these states to become increasingly important actors in a globalised world. In this regard, to access specialist and analytic capacities, SADPA would be well advised to build on and retain its partnerships with national institutions, universities, research and think tanks in terms of policy making, project implementation and so on, and to consider how best to adapt current models in order to suit South Africa's needs. In its design, SADPA could consider a forum for such consultations.
3. In many ways South Africa's willingness to debate public policy and critique motives, successes and failures is an added advantage. This approach to critical engagement and review, combined with a willingness to consult broadly, should be championed and utilised in learning lessons and playing a lead role in national aid architectures in partner countries.
4. DIRCO's current processes of considering lessons learnt and working towards being an effective development partner in establishing SADPA should be better communicated as a practice that other donors and development partners should continually participate in. This could prove a useful means of calling attention to South-South cooperation as being important for the aid and development effectiveness debate as a whole.

Communication is essential if South Africa's successes are to be known by its partners, donors and development partners and the electorate.

5. South Africa urgently needs to better participate in partner-country-led dialogue in designing the compacts arising from the New Deal for Fragile States. These country-specific compacts are being negotiated in partner countries in the national aid architectures (e.g. in South Sudan). If South Africa is to influence, or even just participate in the design of these compacts, it must participate in the national aid architectures. South Africa should also increase engagement with existing donor structures to check coherence and minimise risks.
6. Government must invest in its RBM and M&E capacities to ensure sustainable projects that can compete with other donors/development partners and achieve maximum impact. At the same time, DIRCO should strengthen its existing partnerships with South African research institutes, universities and NGOs to develop and retain the Africa-specific skills that would enable meaningful evaluation of the context-specificity of projects, and that would ultimately ensure South Africa's competitive advantage.

The establishment of SADPA provides an opportunity for South Africa to restructure and coordinate its aid. It has the potential to address past failings of the ARF and to position South Africa as an important global player.

South Africa can capitalise on its comparative advantages over other development partners and donors in Africa, but it must be wary of the implications that arise from its approach; as well as how to ensure that its projects are well-placed, efficient and accountable. A clear vision and strategy for SADPA will go a long way in positioning the agency as a vital development partner, but strong project implementation and management will also be needed.

NOTES

- 1 See South Africa's medium term expenditure projections as per Treasury's annual *Estimates of National Expenditure*.
- 2 Cheryl Hendricks is a professor at the University of Johannesburg, and Amanda Lucey is a researcher at the ISS. The policy briefs emanating from this research can be found online at <http://www.issafrica.org/publications/policy-brief/sas-post-conflict-development-and-peacebuilding-experiences-in-the-drc-lessons-learnt>; <http://www.issafrica.org/publications/policy-brief/burundi-missed-opportunities-for-south-african-post-conflict-development-and-peacebuilding>; <http://www.issafrica.org/publications/policy-brief/south-africa-and-south-sudan-lessons-for-post-conflict-development-and-peacebuilding-partnerships>.
- 3 See for example DIRCO, Consolidation of the African agenda, 2008-2009, available from <http://www.DIRCO>.

- gov.za/department/report_2008-2009/part%20ii.pdf (last accessed 28 November 2013).
- 4 Parliamentary Budget Question: DIRCO Parliamentary Speech, 04/04/2012, available from http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=25356:parliamentary-question-dirco-budget-vote-speech&catid=86:parliamentary-questions-and-speeches&Itemid=187 (last accessed 07/01/2014).
 - 5 National Planning Commission, National Development Plan 2030 – Our Future: Make it work, 2013, available from <http://www.npconline.co.za> (accessed 23/01/2014).
 - 6 Ibid, p. 75.
 - 7 Ibid, p. 239.
 - 8 Ibid, p. 238.
 - 9 Ibid.
 - 10 SA Government, Department of International Relations and Cooperation, Strategic Plan 2010-2013.
 - 11 Neissan Alessandro Besharati, South African Development Partnership Agency: Strategic Aid or Development Packages for Africa? August 2013, SAIIA, p. 36, available from <http://www.saiia.org.za/research-reports/south-african-development-partnership-agency-sadpa-strategic-aid-or-development-packages-for-africa> (last accessed 28/11/2013).
 - 12 Ibid.
 - 13 Ibid, p. 19 and p. 32.
 - 14 At the Moldova Partnership Forum in March 2010, Romania pledged US\$ 139 million making it the second largest bilateral grant donor by commitments after the US that committed US\$ 178 million.
 - 15 Escobar, A (1991) *Anthropology and the Development Encounter*, American Ethnologist, Vol. 18, No. 4. (Nov., 1991), Ferguson, J (1990) *The Anti-Politics Machine*, UK: Cambridge University Press, Li, TM (2007) *The Will to Improve*, USA: Duke University Press amongst others.
 - 16 Strictly speaking MOUs are enforceable, however most partner countries are reluctant to take legal action against donors or development partners because they fear the impact legal action could have on diplomatic and related relationships.
 - 17 See for example ISS Today, 27/11/2013, *Is South Africa equipped to deal with the new challenges of peacekeeping*, available from <http://www.issafrica.org/iss-today/is-south-africa-equipped-to-deal-with-the-new-challenges-of-peacekeeping> (last accessed 10/12/2013).
 - 18 Mail and Guardian, *Top Official Jerry Matjila rides out 'fraud' storm*, 04/10/2013, available from <http://mg.co.za/article/2013-10-04-00-top-official-rides-out-fraud-storm> (last accessed 10/12/2013).
 - 19 DIRCO, Building a better world: the diplomacy of Ubuntu, 2011, available from http://www.safpi.org/sites/default/files/publications/white_paper_on_sa_foreign_policy-building_a_better_world_20110513.pdf (accessed 22/01/2014).
 - 20 RIS, Conference Report on Southern Providers South-south cooperation: Issues and emerging challenges, 2013, available from <http://ris.org.in/publications/reportsbooks/662> (accessed 22/01/2013).
 - 21 African Union, *Extraordinary session of the Assembly of the African Union*, Addis Ababa, 11/10/2013, <http://www.au.int/en/content/extraordinary-session-assembly-african-union> (last accessed 10/12/2013).
 - 22 See for example Brookings Institution, The African Union can do more to support regional integration, 17/05/2013, available from <http://www.brookings.edu/blogs/up-front/posts/2013/05/17-african-union-support-regional-integration-kamau> (last accessed 08/01/2014).
 - 23 G7+, 30/11/2011, *A New Deal for Engagement in Fragile States*, available from <http://www.g7plus.org/new-deal-document/> (last accessed 10/12/2013).
 - 24 The detailed findings and recommendations can be found online at <http://www.issafrica.org/publications/policy-brief/sas-post-conflict-development-and-peacebuilding-experiences-in-the-drc-lessons-learnt>; <http://www.issafrica.org/publications/policy-brief/burundi-missed-opportunities-for-south-african-post-conflict-development-and-peacebuilding>; <http://www.issafrica.org/uploads/PolBrief49.pdf>.
 - 25 These findings are reflected throughout the three ISS policy briefs.
 - 26 See for example recommendations from ISS Policy Brief, Burundi: Missed Opportunities for South African post-conflict development and peacebuilding, Cheryl Hendricks and Amanda Lucey, October 2013, available from <http://www.issafrica.org/publications/policy-brief/burundi-missed-opportunities-for-south-african-post-conflict-development-and-peacebuilding> (accessed 08/01/2014).
 - 27 See ISS Policy Brief, SA's post-conflict development and peacebuilding experiences in the DRC, Cheryl Hendricks and Amanda Lucey, October 2013, available from <http://www.issafrica.org/publications/policy-brief/sas-post-conflict-development-and-peacebuilding-experiences-in-the-drc-lessons-learnt>; (accessed 08/01/2014).
 - 28 The OECD, 2011 Survey on the Paris Declaration, for example, shows that coordination at country level and particularly at sector level has contributed to rapidly growing numbers and influence of national aid architectures. See O'Riordan (2010) *Threats to Domestic Social Accountability: Development Assistance and Aid Effectiveness in sub-Saharan Africa*, Idasa (https://www.academia.edu/2543066/Threats_to_Domestic_Social_Accountability_Development_Assistance_and_Aid_Effectiveness_in_sub-Saharan_Africa) on the growing influence and structure of national aid architectures.
 - 29 OECD, Countries, Territories and Organisations Adhering to the Busan Partnership for Effective Development Co-operation, available from <http://www.oecd.org/dac/effectiveness/busanadherents.htm>.
 - 30 This point is made in the ISS policy brief South Africa and South Sudan: Lessons for post-conflict development and peacebuilding partnerships, Cheryl Hendricks and Amanda Lucey, December 2013, available from Cheryl Hendricks and Amanda Lucey, (accessed 08/01/2014).
 - 31 The EU's 2012 *Agenda for Change*, for example, calls for greater attention to analysing and responding to partner country ownership structures for greater relevance. This is accompanied by extensive investment by the EU and EU Member States in new analytic tools such as context analysis, political economy analysis, fragility assessments, drivers of change studies, etc.

ABOUT THIS PAPER

South Africa is an important actor in peacebuilding and post-conflict development and now wishes to deepen its engagement through the establishment of the South African Development Partnership Agency (SADPA). However South Africa needs to be aware of the tensions inherent in its positioning as a development partner. South Africa can learn from the experiences of other donors and development partners and should consider how best to position itself within national aid architectures in developing countries. This paper examines the findings of previous ISS research on South Africa's engagements in peacebuilding and post-conflict development to situate them in the broader aid effectiveness debate, and makes recommendations for South Africa as it moves ahead as a development partner.

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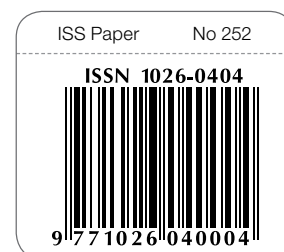
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