



The North-South Institute
L'Institut Nord-Sud

**Report on Wilton Park Conference WP887
in association with the North-South Institute**

**EMPOWERING SOUTHERN KNOWLEDGE TO ENABLE SOUTHERN OWNERSHIP
SOUTHERN PERSPECTIVES ON REFORM OF THE INTERNATIONAL
DEVELOPMENT ARCHITECTURE PROCESS**

Saturday 19 – Tuesday 22 May 2007

Introduction

The future of multilateral and bilateral cooperation for development is in question. It is either in crisis or in the process of reinvention. Two short years ago hopes for governance and policy changes that would assist poor countries were running high in the aftermath of the Paris Declaration on Aid Effectiveness, the release of the Commission for Africa report and the commitments made at the Gleneagles Group of 8 (G8) meeting and the UN Millennium Review Summit. Subsequently, the World Trade Organization (WTO)'s Doha 'Development' Round of trade negotiations stalled and the purpose of the World Bank and the International Monetary Fund (IMF) were increasingly questioned. G8 members did not scale up their aid flows substantially and major new donors and creditors emerged outside of the Paris framework. The press in the richest countries typically portrayed these setbacks as being rooted in the troubled US-European relationship or the emergence of new centres of power. The various viewpoints of governments, civil society and social movements from South America, Africa and Asia were often obscured. These Southern perspectives on the ways and means to reform the development industry's institutions and the paradigm that has informed development practices are taking on even greater importance in today's dynamic context. Debates on the alternatives to development business-as-usual will not be well served if Southern voices continue to be marginalized.

Launched in 2005, the North-South Institute's Southern Perspectives project addresses these issues. During the project's first phase a Steering Group of ten eminent Southern development thinkers was formed. This group met for the first time in August 2005 at Dar es Salaam, Tanzania. Based upon the Steering Group's strategic guidance the project then commissioned three thematic papers on the topics of power imbalance, the impact of security considerations on aid disbursements and the coherence of aid, trade and investment policies. These reports focus on overarching issues not normally raised in most northern-dominated reform discussions. The Steering Group met for the second time in October 2006 at Strathmere House, Canada, and gave direction for the project's five country case studies that were undertaken by southern researchers in 2006-7. These analyses of the diverse realities of the development architecture in Bolivia, Burundi, Nigeria, Sri Lanka and Vietnam aim to inform reform priorities with country level insights.

The [Wilton Park Conference](#) brought together the North-South Institute (NSI) representatives, the Southern Perspectives program research team, the Steering Group, invited guests and representatives from the project's four donors: the UK's Department for International Development (DFID), the Swedish Ministry of Foreign Affairs, the Canadian International Development Agency (CIDA) and the Norwegian Agency for Development Cooperation (NORAD).¹ The conference discussed the current and changing context for the international development architecture; key findings from the three theme papers and five country studies, possible synthesis issues, and recommendations for reform. This report presents the proceedings of the conference.²

Project documents from the Southern Perspectives programme are available on the NSI website (www.nsi-ins.ca). Completed versions of the thematic papers, country studies, and the synthesis report will be made available as they are completed. It is expected that outputs from the Southern Perspectives process will contribute to deliberations at the September 2008 conference on the Paris Declaration on Aid Effectiveness at Accra, Ghana, and to the 2009 review of the Financing for

¹ NSI expresses thanks to these four donors for their support for the Southern Perspectives program, as well as to CIDA and the International Development Research Council for valuable International Support.

² This report was prepared by Adam Sneyd, who was rapporteur for the conference

Development (FfD) process at Doha, Qatar. Efforts are currently being made to ensure the dissemination of the project's findings at other high-level fora.

1. Southern Views on Reform Imperatives

Southern governments, civil societies and experts do not hold a common view on reform imperatives. Consequently, one principal challenge for this project is to identify the areas where the harmonization of certain Southern perspectives will bear fruit while at the same time recognizing the value and the necessity of diverse opinions. Such a balance is desirable so the voices of the dispossessed and oppressed inform collective Southern action for change. This especially important to achieve at a time when new power centres are emerging. Taken together, China's recent three-year, \$20 billion commitment to Africa and the deals Venezuela has signed dwarf the G8's follow through on the pledges made at Gleneagles in 2005 to scale-up aid flows. How this increased competition amongst donors and creditors to supply aid differentially impacts Southern countries and peoples must be made known. For example, their approaches might be dissonant with the principles embraced in Washington at the Bank or the Fund, or in Paris at the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) and may affect the South in varied ways. New players clearly render already tough issues such as policy coherence even more complex. A related core topic regards geopolitics and aid allocations post-9/11 and how the South can recast new Northern security concerns in terms of a development-centred human security agenda.

For progress to be made on these central themes it is essential to remedy imbalances in the development knowledge industry. Distinct Southern realities and perspectives will be better served if knowledge generation capacity is shifted from the global level to Southern-based development knowledge centres. Ten years ago the Government of Tanzania and the donor community decided that a mechanism to monitor development – a body that would locally produce independent knowledge about the country's development conditions – was necessary. Several lessons can be learned from Tanzania's subsequent experience with independent monitoring. The first is that those with power can define the concept of policy ownership

narrowly, rendering the establishment of broad-based ownership difficult. The Ministry of Finance effectively owned Tanzania's development policy and the process of bringing civil society and private sector actors to the table was protracted. Second, it is a challenge for the government to stick firmly to the principles it has agreed with the established donor community while being flexible enough to accommodate the priorities of new donors. Inconsistencies between donors choosing to remain project-based, and those embracing the General Budgetary Support (GBS) modality of aid delivery are a true management challenge. It is clear that recipients can benefit by sharing with each other knowledge of their donor relations and details of the particular concessions that they do or do not receive from the donor community. So informed, it might be possible for recipients to make gains through taking collective action.

2. The Global Context for Reform

International economic fundamentals look good and so too do the prospects for developing countries. Including states that do not export oil, Sub-Saharan Africa is growing at a faster rate than the developed world. Across the South reserves and savings ratios are up, and domestic capital markets are becoming more robust. Inflation is generally down. Numerous middle and low-income countries also have current account surpluses, and the remittances they receive and the investments they make abroad are both on the rise. Despite the large amount of resources being dedicated to the so-called War on Terror, the international community is well on the way to halving the proportion of people living below the \$1 USD per day extreme poverty threshold, a principal Millennium Development Goal (MDG). Certain regions and countries are poised to meet several other MDGs, for example, those related to education and child mortality reduction.

Common sense economic policies remain a necessary condition for rapid growth. However, there can be no assumption that higher growth rates and common sense economics are necessarily going to help the poorest due to the diverse challenges aid recipients are facing. The term 'developing country' obscures this diversity and should be abandoned. Even so, these countries continue to have a collective problem: shortcomings in the donor community. At the bilateral level as regards the

OECD Development Assistance Committee (DAC) members' plans to scale-up aid, it is evident that development assistance has only risen rapidly in the recent period due to the write off of Nigerian and Iraqi debt. At the multilateral level the future of hard lending by the Washington-based Bretton Woods Institutions and other regional development banks is in question. Additionally, the explosion of issue-specific or 'vertical' funds raises resource allocation issues for the South as a whole, as does an evident lack of comprehensive knowledge of the over \$12 billion USD that is consumed annually by UN system-wide expenditures. For the South to make gains in this context both the bilaterals and multilaterals must deepen recipient ownership and ensure that their partners take the lead, especially in the area of technical assistance and capacity building. Donors have expressed a desire to reduce the transaction costs of aid and these wishes must be balanced with the need for greater levels of partner ownership and respect for diversity. Crucially, both established donors and recipients must engage proactively and collectively with non-OECD, non-DAC donors.

Many Southern thinkers question the necessity of 'scaling up' aid. They are wary of aid dependence and thus do not take an a priori negative view of the fact that certain donor governments have not yet followed through with their commitments. Some have detected subtle drives within recipient governments to maximize aid, and question this direction, highlighting the rent-seeking and resource misallocation problems that the aid industry has enabled in the past. In their view, more South-South information flows on various country experiences with scaling down or eliminating aid reliance are desirable, and this could be an area for empowered Southern development knowledge centres to focus on in the future. Regarding the strengthening of these centres, there is a need to 'repatriate' Southern individuals from Northern institutions. With more human and financial resources developing countries should be in a position to increasingly draw upon knowledge produced by these centres to maximize their leverage. LDCs must also be assertive when it comes to advancing their interests as the so-called 'donor darlings' amongst their number have been in the past. These countries face the common qualitative challenge of how to how to engage with their donors or creditors, whether they deal with several dozen or just a handful. Each confronts bilateral agencies that want to

plant their respective flags on visible social development projects, and must also cope with a potential imbalance in the market to supply aid: it is possible that Northern aid is currently too expensive and that Chinese aid is too cheap. These commonalities underscore the point that there is room for the recipients of aid to take collective action.

3. A Steering Group Perspective

The view of Southern peoples' movements and organizations that could be termed 'uncivil' society are also important. From their perspective it is important to unpack the idea of an 'International Development Architecture' (IDA) and reveal its assumptions. If one takes the IDA to mean the development aid architecture, it is not clear that aid contributes to development. The word 'architecture' presupposes permanence and a cohesiveness that does not seem to be there in reality. It is also important to recognize that coherence can be a double-edged sword. It might do little ill, but it can just as easily crush diversity when potentially pro-poor policy alternatives 'disappear' in the name of donor coherence and harmonization. The term 'international' also needs to be unpacked. To an extent it implies that governments have an equal say in the organization and management of their interactions. If the UN was driving development the term might be useful, but the fact is that the most empowered fora are those where the richest states can exercise greater levels of control.

Nonetheless, there is an alternative development architecture emerging in South America. The Bolivarian Alternative for the Americas, the Community of South American Nations, the bilateral deals Venezuela has recently signed and the embryonic Bank of the South are driven by the unifying idea that Washington's power must be reduced in all of its manifestations. This new regionalism is rooted in the notion that South America has lacked sovereignty. It seeks to advance intra-regional finance capacity, investments, and trade and to realize social development gains. The alternative also repudiates realities (multilateral debt), norms (arbitration) and ideas (the Washington Consensus) that it associates with the old paradigm. For the Bolivarians, development is not just about policy: it is fundamentally about politics, power and paradigms.

Social movements are uneasy about this government-led alternative architecture and wonder if it is sufficiently challenging the free trade, market fundamentalist model. Peasant and indigenous majorities worry that the social and ecological debts they are owed will not be paid and that their voices will not be heard. They critique the new regionalism's reliance on oil, gas and heavy industry. Many of their number desire a break with a consumption-based mode of development and seek not just to be consulted by the new powerbrokers, but to control them and to hold them to account. They want to realize their economic and social rights and their right to locally driven, people-centred development.

The push for autonomy demonstrated in Latin America resonates with the ways Asian states questioned Northern economic orthodoxy and sought to mobilize and control their own resources in the 1950s and 1960s. However, the history of African quiescence to received wisdom raises questions about the exportability of the Bolivarian alternative to that continent. Africa's dearth of intra-regional leadership, underinvestment in embryonic institutions necessary for mobilizing domestic and regional resources, and abundant electoral and governance problems do not bode well for the development of a pan-Southern coalition. In South America, leaders are engaged in efforts to ensure their movement's socio-political irreversibility. They face a strong challenge from right wing groups which were silent about US interventionism for decades, but which now critique Venezuelan 'interference' across the region. 'Uncivil' society movements recognize that so-called "common sense" policies that enable growth do not necessarily lead to development. They hope that the new alternative breaks with the growth model, challenges the realities of concentrated wealth and power and advances a vision based upon the principles of diversity and economic solidarity.

4. Power Imbalances

Asymmetrical power relations are evident in the development knowledge industry. The concepts, assumptions and beliefs through which people understand and interpret the world of development are subject to hierarchical control. They have been manufactured and propagated by institutions with varying material capabilities

and influence. History teaches us that knowledge produced by well-endowed research organizations proximate to Northern centres of power in Washington, Geneva and New York typically becomes development orthodoxy. This hierarchy has led to Southern dependence upon Northern knowledge. It has also often reduced Southern-based development knowledge centres to the role of knowledge sub-contractors. Today growing disenchantment with market fundamentalist or neo-liberal policies has opened a space for this imbalance to be revisited. Lost traditions of local theorizing can be reborn and these centres can analyze, generate and make accessible alternative context-specific knowledge if resources from institutions in the North and South are secured. Knowledge can and should flow South-North and the IDA should create an enabling environment for this shift in power relations.

There are a number of important issues regarding Southern development knowledge centres. First, the South must take responsibility for their empowerment in the post-Washington Consensus world. Research produced by strengthened knowledge centres must also be rooted in a spirit of genuinely open inquiry about domestic and regional economies rather than in pre-determined abstract theoretical models. Given the diversity of Southern 'success' stories and the existence of intra-South power imbalances no single alternative paradigm should spring from moves to empower these centres. Context-specificity is the imperative: so-called common sense or universally applicable solutions are ideological and have been discredited. The South could benefit from a detailed political economic analysis of the current ownership and control of the means of knowledge production as it endeavours to increase its capacity to generate knowledge. Beyond knowledge generation, mechanisms must also be spelt out with respect to dissemination and implementation of Southern research. Furthermore, there is a need to rebuild the alternative knowledge network that centred on organizations such as UNCTAD, ECLAC and the UN Centre on Transnational Corporations in the past. Additionally, a greater understanding of the ways new donors are impacting the development knowledge industry is called for.

5. Security, the War on Terror and Official Development Assistance

Security considerations post-9/11 are leading to a securitization and increasing politicization of Official Development Assistance (ODA). There are multiple linkages

between the disbursement of development aid, security and the War on Terror. Shifts in the geographic spread of allocations and changes in what ODA is used for and how it is understood indicate the breadth and depth of this new securitization. In some cases it has become a weapon in the War on Terror. Many countries have been offered incentives to align with the geo-strategic priorities of the US and its allies. Several states that have made the alternative and sovereign choice to remain neutral in the new war have suffered consequences. Moreover, bilateral agencies that were loath to mention security in the past now enshrine it at the centre of their policy statements. The human security agenda advanced by the UNDP, several Nordic governments and Canada has been overwhelmed by the new imperative to factor security from terror, and the system of development assistance in general is potentially being driven to comply with this goal.

There are both supporters and detractors of strong linkages between the War on Terror, security issues and ODA flows. Some argue that if the US figures are excluded from analysis, it is questionable whether the securitization thesis would hold. For example, the pattern is not evident in German allocations. It is uncertain whether US and UK policies will continue. Substantial ODA increases to Pakistan are attributable not simply to War on Terror related programmes but to a post-earthquake humanitarian assistance programme, debt reductions and scaled up capacity building to the regime. Informed debate on the issues requires a detailed history of the contests over the definition of ODA, an analysis of the category of aid known as 'other official flows' and a more comprehensive defence of the position that an increased security focus is necessarily negative.

Others argue there is a general perception in the South that donor priorities have shifted significantly post-9/11, and that this can be further illustrated by considering aid increases to Pakistan's Northwest frontier provinces. Furthermore, humanitarian assistance is now being pushed to the militaries under the label of 'full spectrum intervention.' There is also the question of whether aid has ever been pro-poor. Southerners should challenge donors that label their self-interested post-conflict reconstruction work as 'development assistance'.

6. Policy Coherence: Aid, Trade and Investment

Detailed analysis of policy coherence must include identification of the objectives and requirements of coherence, and articulation of an approach to analysing the phenomenon. Factors that lead to incoherence include an excess of donor objectives, competition and a lack of coordination between developing country ministries, and problematic donor-recipient interactions. The donor community's 'aid for trade' agenda to assist poor country efforts to diversify or add more value to their exports is a specific example of incoherence. Several donors maintain high trade barriers to developing country products, raising the spectre that certain targets of aid for trade assistance might reap insignificant gains. Similar problems of 'policy incoherence' exist with respect to the interface of aid and investment policies, and trade and investment policies. Importantly, there is a lack of global consensus on the timing of economic openness, and on institutions more generally. Contests over these issues should be viewed as an entry point to a future where the South has the policy space to experiment with heterodox approaches.

Several realities speak to the importance of coherence, including the spaghetti bowl-like effects of overabundant bilateral and regional trade agreements, a lack of institutional clarity at the global level and the evident profusion of informal groupings and donors. Given the high risk of possible incoherence it is desirable to develop a schema to chart or rank the relative importance of policy coherence and the barriers to its realization across these issue areas. The Centre for Global Development's Commitment to Development Index could serve as a model for this exercise. It is also important to identify who is currently defining coherence at the country level and to address a significant downstream issue: what if policies are coherent, but not implemented? Additionally, the coherence of aid, trade and investment vis-à-vis the biosphere and other global public goods must be elucidated. Conversely, there are robust reasons to be sceptical about coherence. For example, in the recent past there was 'coherence' on the need for capital account liberalization, a policy that ruinously impacted poor countries. Efforts to foster more coherence such as the movement to create One UN at country level might also unduly narrow policy options. It is possible that if the World Bank were offered an invitation to enter the One UN tent the menu of policy alternatives could shrink further still. Consequently, specific

instances of incoherence might be positive: the opportunity cost of 'coherence' for developing countries might sometimes be high.

7. Case Studies

Bolivia

High oil and gas prices and multilateral debt write-offs have ended Bolivia's twenty-year fiscal crisis at a time when the Government has adopted a new policy of decolonization and major new donors have appeared on the scene. Despite the Government's recent success as regards the renegotiation of contracts with foreign investors, many Bolivians worry that this drive to assert sovereignty will not be sustainable when commodity prices drop. Attempts to predict whether or not Bolivia has ended its problematic reliance upon aid are frustrated by factors such as the country's ongoing dependence on Foreign Direct Investment (FDI) for private sector investment, poor competitiveness rankings, regional growth imbalances, the high rate of extreme poverty (40%) and the prospect of further social unrest. Tension between an individualist freedoms-based approach to the economy and a community-based, participatory vision remain high. Institutions with the International Development associations (IDA) – itself a 'player' in the strategic game of Bolivian development from 1986 to 2006 – typically hold the former view. They want the Government to make the National Development Plan operational and demonstrate the feasibility of its projects and the reliability of its policy processes. For its part, the Government is making renewed engagement with the architecture conditional on the adoption of the latter approach, for example, by insisting that measures to achieve the MDGs must be complemented by efforts to generate rural employment, income and productive infrastructures.

Other important matters regarding Bolivia and the international development architecture include: how donor relations have evolved from the old consultative group in the newly politicized context; Bolivia's relative level of policy-leadership or lack thereof over time; the Government's plans to address historic inefficiencies in the aid delivery business and the prospects and potential pitfalls of the Government's new development strategy (including its implications for particular sectors). At both the international and national levels there is a high level of curiosity about the new

paradigm and indigenous views on development. There is also interest in questions about autonomy – both internal (regional) and external (US, Venezuela). Bolivia also represents a good case to illustrate any differences between Venezuelan and US ‘rules’ of the development game that might be relevant to architectural reform.

Burundi

Donors are re-engaging in the immediate post-conflict era with a Government that seeks to exert leadership over its development policies. They are doing so whilst issues of corruption and human rights violations plague the new regime. The Government is nonetheless progressing towards the Multilateral Debt Relief Initiative completion points. Unlike Rwanda, however, broad ownership of a vision for development is not evident. No shared view currently exists on the strategy that should replace the failed state-led, coffee-fuelled industrialization approach or the equally problematic privatization and liberalization model that accompanied structural adjustment prior to the civil war. Principal development challenges include an inability to accommodate the country’s growing farming population, persistent poverty, a brain drain and a lack of policy implementation (with respect to the NGO regulatory framework, for example). External assistance continues to account for fifty to sixty percent of the budget and the Government’s debt service obligations are equivalent to eighty percent of export revenues: two facts that indicate the IDA’s enormous influence in Burundi. The aid dependent Government is aware of the diverse competencies or relative advantages of its donors and creditors, such as China’s flexibility, or the African Development Bank’s project expertise. It desires more predictable flows and the adoption of the GBS aid delivery modality by all of its partners.

One area of concern is how civil and political rights issues are impacting Burundi’s development architecture. Another is the evident bias of donor resource flows to social sectors rather than productive sectors and the prospects for change given the move to embrace GBS. Of significant interest as well are the implications of Burundi’s Heavily-Indebted Poor Country status and the use of performance-based allocations. There are also a number of factors that hinder the Government’s adoption of donor engagement strategies similar to those evident in Bolivia or

Uganda. Additionally, there are worries about so-called donor 'project enclaves' within ministries and technical assistance more generally. In some cases Burundi does have capacity and there is a need for ideas on how this could be used more efficiently. Beyond the Government, there is an evident diversity of opinion within civil society on reform priorities.

Nigeria

After a massive debt write off and elections whose results are contested, the new Government's future role within the development architecture is in question. As the beginning of the second phase of the National Economic Empowerment and Development Strategy (NEEDS) approaches, the growth rate is strong, reserves have expanded to over \$43 billion and inflation is low. Even so, progress is glacial on structural weaknesses such as the reality that Nigeria remains a mono-cultural economy that earns 90% of export revenues from oil. Efforts to increase the percentage of non-oil GDP through economic diversification, an aim enshrined in both the NEEDS and in the national medium-term development blueprint, have been sluggish. Institutional problems targeted in the NEEDS, such as public expenditure management, have also not been adequately addressed. The IDA looms large in shaping the development agenda in the country despite Nigeria's capacity to self-finance. A belief that donors exert disproportionate influence remains broadly shared notwithstanding the fact that total aid flows appear insignificant when compared to the size of the national budget. Poverty reduction goals embraced by the donor community and enshrined in the Government's plans are not on track.

The factors that have led to the perception that donors are calling the tune but not footing the bill in such a rich country are noteworthy. Given the Government's new freedom from debt, it is increasingly important to know about the prospects for greater and more broadly based ownership. An explanation of why technical assistance has remained donor-dominated in a country with evidently abundant local capacity could benefit other poor countries. Nigeria's regional engagement and leadership is also of interest to its neighbours and Africa as a whole. Similarly, others can learn lessons from the ways Nigeria's architecture is impacted or even

undermined by governance problems such as corruption and the politicization of institutions.

Sri Lanka

On the heels of a major humanitarian emergency low-intensity conflict has re-emerged and questions are being raised about the engagement of donors with both crises. For its part, the current Government has made concessions on economic reform priorities (including measures to reduce factor market rigidities and render public services more 'efficient') in order to safeguard its fragile political consensus. As a result, Sri Lanka's donor relations have changed from what they were in 2002 when the previous Government adopted a poverty reduction strategy and strict stabilization programme to bring down a 14% inflation rate and control a soaring budget deficit. The new National Development Framework takes a far more interventionist stance and seeks to address the neglected issues of infrastructure and rural development. This push for policy space comes at a time when Sri Lanka faces declining access to concessional finance as it is no longer a low-income country. The Paris Agenda principles of donor harmonization and alignment have not been embraced. Instead, the Government continues to work on individual bases with the three donors that have funded up to 80% of Sri Lanka's ODA over the past thirty years: Japan, the Asian Development Bank and the World Bank. Architectural reform priorities include a need to sensitise donors (including NGOs) to political contexts and impacts, to rationalize donor missions and costs, and to end donor micromanagement. Security and regionally concentrated growth and poverty reduction remain key development challenges.

Several features of the current government's position in relation to the development architecture are of particular interest. These include: its apparent lack of interest in the principles contained in the Paris Declaration; its preference to interact one-on-one with donors; and its decision not to accept Heavily Indebted Poor Country status. The costs and benefits of the latter merit further exploration. Knowledge of the factors that have maintained the pervasive 'myths' in Sri Lanka of aid dependence and a lack of local capacity could benefit other poorer countries. In addition, stories about Sri Lanka's experiences with donor and NGO resource misallocation and with exit

strategies or the lack thereof could assist states that are vulnerable to disasters and conflict. An additional useful area for further study could include an historical treatment of the impacts of political conditionality across issue areas (i.e. economic reforms and the peace process).

Vietnam

There has been a slight increase in the already high level of inequality and the economy remains vulnerable to natural disasters and external shocks. However the country has made significant progress with respect to growth and poverty reduction over the past two decades. Vietnam moved from aid dependence to relative aid independence during the 1990s as FDI and remittances increased rapidly. In 2006, the value of the latter was triple ODA, and at present there is at least \$30 billion in potential FDI awaiting approval. Donors seem to be aligning with the priorities the Government defines due to the country's exceptional growth prospects and the perception that it is a safe investment. The World Bank has facilitated coordination amongst the donors in the past, and the Hanoi Core Statement on aid effectiveness demonstrates the resonance of the Paris principles within the Government and amongst the players in Vietnam's IDA. The Government's 'home-grown' 2002 Comprehensive Poverty Reduction and Growth Strategy has been incorporated into a five-year Socioeconomic Development Plan that has not diminished donor interest. However, there are several problems with the IDA. Improvements are needed in the areas of technical assistance and disaster relief, and loans comprise more than 80% of ODA. An anti-dumping action against the footwear industry last year also indicates that creditors are not addressing policy coherence issues.

There is a perception that the Government exercises a high degree of policy ownership. A number of related questions are of interest. For instance, have donor perspectives shifted over time? Are the principles that fuel the Government's interactions with the aid architecture spilling over into its trade negotiations? To what extent is development policy informed or held to account by Vietnamese citizens? Additional important issues regarding Vietnam and the development architecture include the status of the country's One UN process, increasing sources of development finance and NGO policy implementation.

8. Concluding Perspectives

The Steering Group launched the final session with the proposition that there is a Southern consensus that the architecture must empower Southern knowledge and must recognize that there are extremely diverse routes to whatever 'development' might be.

South-North flows of information, people and money, and the history South-South cooperation are understudied topics. More needs to be known about how various actors (transnational corporations, private foundations) and ideas (ecological stewardship) bear upon the realization of Southern views on architectural reform. The prospects for domestic resource mobilization must also be analysed. Mechanisms for reforming technical assistance and aligning donor incentives with recipient priorities should be designed. The proposal that an aid recipients' forum and a Southern-based monitoring and evaluation agency should be established requires serious consideration. Finally, the factors that enabled the systematic dismantling of the South's collective activism for a New International Economic Order during 1970s must be made known so that history does not repeat itself.

Questions about development knowledge hierarchies, ownership, policy diversity, aid dependence and people-centred development are at the core of the Southern Perspectives on Reform of the IDA process. How to inform bottom-up or demand-driven ownership and enable diverse development paths through generating and mobilizing Southern knowledge is a central focus. So too is challenging the assumption that aid is first and foremost a means for the agents of development (the donors) to assist the principals (the poor). The need to bring actors that have been missing from past development debates in from the cold is a thoroughgoing concern. While there is a multiplicity of Southern perspectives on reforming the architecture, Southern voices are nearly unified in their condemnation of the top-down, neoliberal paradigm that informed development over the past decades. Many consider it to have been as imbalanced as the development architecture's Northern-dominated institutions. There is an emerging consensus that the knowledge empowerment of the South is essential to the realization of more autonomous, equitable and inclusive

Southern paths to development that reflect the principles of democratic control, accountability and sovereignty. The Southern Perspectives on Reform of the International Development Architecture project Synthesis Report will tie together these analyses, perspectives and questions.

Adam Sneyd
June 2007

Wilton Park Reports are brief summaries of the main points and conclusions of a conference. The reports reflect rapporteurs' personal interpretations of the proceedings – as such they do not constitute any institutional policy of Wilton Park nor do they necessarily represent the views of rapporteurs.