

**Democracy, Ethics and the Effectiveness of Development Cooperation**  
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Having reached the two thirds of the Millennium Development Goal (MDG) time-frame, it stands clear that a significant number of countries, particularly in the sub-Saharan region, will fail to comply with the global ambition to fight world poverty. Part of the explanation is due to reasons beyond the reach of individual governments such as natural catastrophes, climate changes and distortions in world trade. But several strong voices within the donor community also argue that not only the amount, but maybe above all the effectiveness of foreign aid supporting these countries in their battle on poverty are insufficient.

It is true that several nations who committed themselves to increase their official development budget at the Monterrey summit in 2002 have not yet completed their promise. But, a greater part of the explanation to the unmet results, is in my view that the foreign aid bestowed to date has often been ineffectively managed by both donating and beneficiary governments.

This inefficiency, as we will discuss, is in my opinion intimately linked with a lack of effective democratic institutions in many beneficiary countries. Poor governance and deficit of democratic ownership of national strategies are two traits that tend to reinforce each other.

My presentation today departs from the assumption that - although not a sufficient condition - better functioning democratic institutions are fundamental in order to improve governance, fight corruption and increase national ownership of development strategies. Only when these components will have been met to a sufficient level will the prospect of reaching the MDG come in sight.

There is a growing international consciousness that parliaments in developing countries are - and should be - the prime cornerstones of such a process. The Paris Declaration on Aid Effectiveness (2005) and, even more strongly the Accra Agenda for Action (2008), underscore the key role of Parliaments and Parliamentarians in ensuring that aid and other resources are spent effectively in support of poverty reduction. The Inter-parliamentary Union (IPU) voted unanimously in 2008 in Cape Town a resolution on “the role of Parliaments on parliamentary oversight of state policies on foreign aid”. The European Union embedded democracy as one of the cornerstones of its relationship with Africa. The World Bank and the UN system also run different programs to strengthen democratic institutions in developing countries.

To help a country to develop its democratic institutions, one should go beyond the concept of free and fair elections and election monitoring. Free and fair elections are of course the prerequisite for any other democratic development, but parliaments and parliamentarians having the actual capacity to perform their legislative and oversight duties, a free press, efficient local governments, dynamic and free civil society organizations are also essential components of a democracy.

At the beginning of this century, most countries on the African continent had met the demand of multiparty democracy and embraced the idea of free and fair elections. During the period

2005-2009, more than fifty democratic elections took place in Africa! But, as mentioned in a recent study of the IDEA (International Institute for Democracy and Electoral Assistance), democratization and democracy building are still too often seen as just elections and electoral process. A recent study, made on behalf of the IPU, notes that in practice in many developing countries the ability and willingness of parliaments to exert their power is lacking or insufficient, either because the constitution limits their power or because they lack the capacity, ability and resources to do so.

However, to enhance the effectiveness of international cooperation to achieve the MDG's, as emphasized in the Paris Declaration, in the Accra Agenda for Action and by the IPU, Parliaments should unquestionably be willing and able to play a more active role in planning, implementing and assessing national development policies, as well as in overseeing the activities of their government. The unanimous 2008 IPU resolution of Cape Town states: '[We are] convinced that the effectiveness of financing for development will only increase if the beneficiary countries promote democracy, rule of law, good governance and fight corruption.'

Central to the IPU philosophy is that stronger parliamentary oversight and participation concerning development strategies and foreign aid allocation automatically renders better governance. This principle is the fundament to the IPU's 42 recommendations on how to strengthen the role of both donor and beneficiary parliaments on their way to aid efficiency and oversight of governance policies in general.

### **Why strengthen parliament?**

In order to enable an increased ownership of development strategies and better governance, a fortified parliament is needed as it will:

- increase the necessity for transparency and accountability within the government;
- pressure government not to neglect any population group;
- influence government to promote fairer distribution of incomes and wealth;
- reduce political tensions by offering opposing groups to bring discussions from the streets into the parliament;

### **How to strengthen parliament?**

Several measures should be taken.

The following seven points summarize essential recommendations based upon the work done within the IPU and upon the Accra agenda for action on development cooperation effectiveness. They concern both donor and beneficiary actors:

First, donor and beneficiary countries should finance capacity building of national parliaments and parliamentarians. Regardless of the election's degree of impeccability, parliamentarians who lack ability or means to efficiently control government or to participate effectively in development strategy discussions are confined to carry out their tasks in an unsatisfactory manner. Therefore donor country parliaments should ensure that part of their national contribution goes towards improving working conditions of beneficiary country's parliamentarians, to build their capacity in analyzing public finances and budgets and in engaging in all stages of the policy cycle of development programs. Essential here is

furthermore to develop bilateral cooperation between parliaments of donor and beneficiary countries.

Second, in order to be efficient, a parliament must be able to rely upon an independent court of audit (or a corresponding institution) staying above the political fray. Such institution – ideally appointed by and only answerable to the parliament – is essential for the Parliamentarians to be able to oversee the government and to ensure its accountability. In other words, it is necessary to strengthen the oversight capacity of parliaments, in particular by creating or reinforcing the existing national audit office.

Third, M.P. must receive adequate and sufficient information. It is not unusual that parliamentarians attending international conferences receive new information on site from donor countries' MP's or diplomats regarding their own government's plans. This underscores the importance of including parliaments in the programming, following up and evaluation of the impact of cooperation aid. Foreign aid and loans should obviously be included in the budgetary documents discussed by parliamentarians before voting on the budget.

Fourth, parliament should consult civil society. Parliamentarians must keep their independence of mind, but in order to maintain well informed and recognize peoples' genuine needs, consultations with civil society organizations when evaluating and overseeing aid programs is indispensable.

Fifth, a substantial representation of both genders in parliament is very important. Both men and women have a specific and original perception of problems and of the relevancy of different development strategies. They should work together in parliaments to promote and implement balanced and efficient legislations and a better control of governments leading to more efficient and equitable development.

Sixth, in a parliament the majority should allow the opposition to play its role : opposition members must for example receive their proportional amount of seats in the parliament's bureau and committees and not, as they in many cases have been, be excluded from the official organs running the functioning of the Parliament and of its committees.

Finally, regional and bilateral cooperation between parliaments should be enhanced; direct inter-parliamentary cooperation should be encouraged as well North-South as South-South and on the regional level. Such relationships promote the peer review systems which have proven successful in the African region. In order to multiply such relations, regional parliaments have an important role to play

Of course, all core functions of beneficiary governments should also be reinforced. Support must not be limited to parliament only. For instance, integer judiciary, police and customs organizations are also essential for guaranteeing better governance. An independent Court of Audit or parliamentary budget office is also essential to effective parliamentary oversight.

However, the parliament plays a special role in regard to exercising pressure on the government, which in turn is the guarantee we have that governments fulfil their obligations and invest in the good functioning of their core functions. Parliament, in its capacity of legislator, must of course vote the relevant legislation to achieve these goals.

Hence, I do strongly believe that it is essential for the donor community - whether it be multilateral or bilateral donors - to persuade the developing partners to invest a minimum amount of the aid received in strengthening their democratic institutions, in the working capacities of their parliament, in the audit mechanisms reporting to parliament and in developing independent and integer judiciary and police systems.

Efficient budget oversight mechanisms will also build up the confidence of the donors in the integrity of the budgetary process and entice them to give a substantial part of their aid in the form of general or sectorial budget support. This is a more efficient type of development aid than the financing of a multiplicity of projects or programmes. To avoid misuse of the aid, the latter type of aid is often subjected by donors to cumbersome sets of conditionalities, imposing a heavy bureaucratic burden on both donors and beneficiaries.

Up to today, general and sectorial budget supports have remained low because of the fear of corruption generated by ineffective budget oversights in too many developing countries.

To conclude, I will reaffirm that it is my firm belief that to make aid more effective, in the spirit of the Paris and Accra commitments, and to speed up the achievement of the MDG's, the international community should invest much more in the reinforcement of the democratic institutions of developing countries and in securing in them the core functions of the State and of its administrations.

To achieve this goal we should help parliaments to become more effective. This will according to a bottom up iterative processes create virtuous circles which will, over time, create better and better governance.

This is an indispensable, if not sufficient condition of aid effectiveness, especially in fragile and post-conflict States.

This belief of mine has grown over the years, and strengthened, out of my own experience of nearly thirty years as M.P. But this is also the view of an eminent Indian scholar, Nobel Prize of Economics Amartya Sen. In his book "Development as Freedom" he stresses that democratic institutions are an essential element of development processes. They do so by promoting the transparency of political choices and by submitting the government to the oversight of parliament and public opinion.