

# ACBF Development Memoirs Series

ACBFDMS/003/2010



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT  
DES CAPACITES EN AFRIQUE

*Building Sustainable Capacity for Poverty Reduction in Africa*  
*Renforcer durablement les capacités pour réduire la pauvreté en Afrique*

## **THE FUTURE OF BILATERAL AID IN AFRICA: SIZE, FLOW, CONDITIONALITIES AND RELATIVE IMPORTANCE IN COUNTRIES' BUDGET**

**KRISTINA SVENSSON**

*Former Swedish Ambassador to Malawi, Mauritius, Zambia  
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## THE ACBF DEVELOPMENT MEMOIRS SERIES

ACBF's Development Memoirs Series is a key instrument in the Foundation's knowledge management strategy aimed at harnessing the know-how and learned experiences of eminent senior policymakers and development managers. Central to the Series is the understanding that knowledge management tools and practices can be effectively employed to leverage both local and externally generated knowledge to bridge the knowledge gap between sub-Saharan Africa and the developed world.

The Development Memoirs Series, which is generated through contributions by from the ACBF Senior Policymakers and Development Managers Knowledge Sharing Program (SPM-KSP) provides professional insights, reflections, skills, processes and experiences in the management of specific policies and programs, and offer case studies on processes, practices and experiences associated with specific policies and programs that made measurable impact on the continent's development experience. The individual voices captured via the SPM-KSP collectively contribute to enhancing the effectiveness of the Foundation's operations, identifying learning and knowledge-sharing opportunities, and providing practitioners with guideposts to best practices in policymaking and development program management.

The Development Memoirs Series reflects the Foundation's vision and quest to actively embrace a diversity of knowledge sources and knowledge including the ways gender, values and culture influence the generation, sharing and application of knowledge. The Series speaks to ACBF's vision that the creation, sharing and deployment of cutting edge knowledge in an increasingly complex, competitive and changing world, is imperative to Africa's current development efforts and future prospects.

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## EXECUTIVE SUMMARY

Development depends on a complex array of factors, which rules out the prospect of any one magic bullet. During the last fifty years, different schools of thought have advocated for their respective recipes for achieving economic and social development. The cumulative experience from the implementation of these paradigms is that sustainable development can only be attained if and when fundamental principles of democracy, macroeconomic stability and good governance are put in place. Beyond this, there are no short-cuts to sustainable development.

The image of Africa in the West is too often that of conflicts, wars, poverty, and diseases. Certainly, this is part of the African reality, but Africa is also about a gathering momentum toward democratic progress, multiparty elections, economic growth, and healthy children. This heterogeneity is clearly illustrated by the experiences of Zambia, Zimbabwe, Malawi and Mauritius, themselves being duty countries for Ambassador Svensson during her years as a member of the Swedish diplomatic corps in Africa.

Zambia held its first multiparty elections in 1991, and managed the transition without violence. However, the new democracy was fragile and the liberalization of the former command economy put much stress on development efforts. When former state property was privatized, the full price of the command economy had to be paid, especially in terms of rising unemployment and the obvious risk of social unrest. Financially non-viable mines were forced to close. Even for financially viable mines, restructuring for private ownership required investment in new techniques, human resources and modern equipment. In this economic and political environment, development assistance needed to focus on strengthening democracy, building

capacity and fighting poverty. Malawi also struggled to sustain the transition to democracy but succeeded in the end. As a result, Malawi has over the past couple of years managed to increase its food production and become self-sufficient. This has been possible through donor support particularly to small-scale farmers.

On the other hand, Zimbabwe presented a negative image of Africa. Following the farm invasions the country, which was once renowned for flourishing fields of tobacco, big herds grazing, filled dams, and prosperous farms, experienced stagnation and collapse of its economy. Zimbabwe overturned the tables to become the 'poor brother' of Zambia. The tobacco curing barns were deserted. Most of the rich fields were unattended, and agricultural production was inadequate to feed the nation. Bilateral donors withdrew development assistance because rule of law was not respected, press freedom was curtailed and democratic principles were violated.

Mauritius, the tiny island in the Indian Ocean, depicts yet another picture, a nation where African, Indians, Chinese, Creole, French and English descendants live peacefully together; a nation where the ruling party hands over political power to the opposition when it loses elections. Its economy, which was initially over-reliant on sugar production, has progressively evolved toward diversification to other sectors, including tourism and textile industry. Here, the situation was entirely different. This country needed only preferential trade agreements to stimulate its economic development and enable it to create new export opportunities and new products that would find their way to overseas markets.

These typologies should however be tempered with the reality that Africa is certainly not homogenous, not even individual African countries are homogenous. Rather, each country, each situation, and each population group is unique and requires its own set of tools to build and stimulate development.

Nonetheless, the lessons learnt from these four countries are instructive and point to the same direction; (i) sustainable growth and development are only possible where there is a culture of political pluralism, participation in the development process, good governance and a market economy; (ii) donors can and should support efforts to strengthen democracy and good governance in countries making the transition; (iii) donors can play a crucial role to strengthen democratic institutions through capacity development.

These memoirs have been seized with the question: why has development aid to sub-Saharan Africa during the past 40 years failed to achieve its goal of assisting newly independent countries in their efforts to attain sustainable political, economic and social development? The reasons are intricate and interrelated, and neither cooperating partners nor recipient governments have done all they could to make it effective. The question then becomes: What needs to be changed in order to ensure that aid is as effective as it is supposed to be and sustainable in the long term?

When looking at the supply-side of development assistance, that is the developed countries, the most crucial prerequisite for the allocation of sufficient funding for international development assistance in national budgets, is the political will to do so. Various political parties have different policies and, when in power, they implement what is on their political agenda. Changes of political majorities might lead to changes in the national budget lines for development assistance. Voters in developed

countries expect results, aid efficiency, and aid effectively reaching those in need in order to support allocations for development assistance. There is also strong emphasis on the need for recipient countries to demonstrate a genuine political will to strengthen good governance and ensure respect for human rights. Constituents in donor countries have become much more articulate, and will not therefore accept that taxpayers' money is used to prop up governments that are not strongly committed to good governance and poverty reduction.

The memoirs also address the growing frustration with lack of aid effectiveness that has set in motion a slow but visible transformation of the way in which development cooperation is being pursued, as embodied in the Millennium Declaration, the Paris Declaration of 2005 on Aid Effectiveness, and the International Health Partnership. Donors' programs are increasingly result-based, with greater emphasis on national ownership and leadership, real donor harmonization and alignment with the development strategies of partner governments. There is also increased focus within the donor community on the interactions between economic and democratic development. As a result, development actors have become more enlightened about the importance of accountable, representative and transparent government institutions. At the same time, organizations that promote democracy have learned that a government's failure to deliver visible results can undermine democratic reforms.

Similarly, modalities for development cooperation must also be specific to the situation of each country. For example, a country emerging from civil war would have different post-conflict needs than a country that has enjoyed peace and stability for a relatively long period of time. The recipient

countries themselves are the experts on the kind of aid they need, the sectors that should be given priority and the modality for aid delivery.

It is immutable that a 'New Africa' is emerging. The recent years have seen steady economic growth, and democracy being firmly rooted in many African countries. The number of conflicts is diminishing. Africa is increasingly able to solve its own conflicts, and its regional organizations are playing a more important role. Zambia, Malawi and other members of the 'New Africa' are showing the world and themselves that peace and stability, democracy and good governance can improve the lives of their citizens and create economic opportunities that previously seemed unattainable.

The experiences reviewed in these memoirs firmly support the belief that, when people in African countries enjoy peace and stability, when democracy is practiced at all levels of

society, when all children have access to basic and higher education, then sustainable economic and social development would follow, in spite of the occasional bumpy road in that direction. Nonetheless, in spite of the progress made in the last decades, Africa is still a vulnerable continent. The strengthening of democracy, good governance, poverty-reducing economic growth, peace and, last but not least, women's participation, are fundamental factors for stabilizing and developing the continent.

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*October 2007*

## I. INTRODUCTION

The African Capacity Building Foundation (ACBF) through its Knowledge, Evaluation and Learning Department is geared towards generating, sharing, disseminating and utilizing knowledge for capacity building and development management. The ACBF knowledge management program seeks to achieve four major objectives, amongst others. These are to:

- ◆ Enhance the performance of internal project and program operations based on best-practice methodologies, strategies and instruments.
- ◆ Foster the sharing of best practices in capacity building, in the design and implementation of development policies and programs as well as in reform programs that are directed at strengthening the effectiveness of Africa's development process.
- ◆ Contribute to programs and mechanisms for extracting and sharing tacit knowledge for the benefit of national and regional development.
- ◆ Enhance returns to, and the efficiency of, investments in capacity building.

One of the key instruments in the Foundation's knowledge management toolkit is the Senior Policymakers and Development Managers' Knowledge Sharing Program (SPM-KSP). SPM-KSP provides a platform by which successful development practitioners (serving or on retirement, sabbatical, and leave of absence) who have made significant contributions to the development process in Africa or other developing regions, and are willing to document and share their memoirs - are targeted for extracting tacit knowledge for the benefit of future efforts at African development. SPM-KSP specifically targets very senior policymakers and development managers, including visiting academics and eminent guests to the Foundation.

Participating policymakers and development managers are selectively drawn nationally, regionally, continentally and globally from the public and private sectors; national, regional and continental institutions; international development agencies; civil society organizations; ACBF partner institutions; tertiary institutions of learning; research and specialized training institutes, among others.

It is in this context that ACBF extended an invitation to Ambassador Kristina Svensson to draw on her experience and share insights guided by the theme: *The Future of Bilateral Aid in Africa - Size, Flow, Conditionalities and Relative Importance in Countries' Budgets*.

## II. PROFILE OF THE CONTRIBUTOR

Currently retired and living in Sweden and South Africa, Amb. Kristina Svensson was Sweden's Ambassador to Zimbabwe, Malawi and Mauritius in 2001-2005, and to Zambia and Malawi in 1996-2001. In 1995-96, she was an international civil servant at the United Nations Development Program (UNDP) in the capacity of Senior Program Officer in Burundi. Prior to that, Amb. Svensson was Member of Parliament in 1985-1995, serving in various parliamentary portfolios as Member of the Standing Committee on Foreign Affairs, Member of the Security Council, and Member of the Swedish Delegation to the United Nations, inter alia. Before then, she served as Principal of a College for Adult Education in Sweden. In Zimbabwe, Amb. Svensson presided over the Swedish Embassy at the onset of the current low state in the country's external relations with donors. At a time when Zimbabwe suffered a massive exodus of (European) development agencies, Amb. Svensson advised the Swedish Government on the future of Swedish development assistance to Zimbabwe, in particular the nature of

Sweden's future relationship with the Government of Zimbabwe.

### III. GUIDING ISSUES

With a profile spanning academia, international development, public service, international diplomacy, and development cooperation, Ambassador Svensson had a face-to-face knowledge-sharing interview with the Knowledge Management Department of the African Capacity Building Foundation (KMD, ACBF) on 8-10 October 2007 at her retirement home in South Africa. During the interview, Amb. Svensson shared her thoughts on the following issues:

- ◆ The future of development cooperation in Africa, including critical sectors that should be targeted for productive and mutually beneficial management of development assistance in Africa.
- ◆ The importance of capacity building versus traditional technical assistance for the future of development cooperation in Africa.
- ◆ Experience gathered during missions in Malawi, Mauritius, Zambia and Zimbabwe and the missing links in Africa's quest for sustainable growth and development.
- ◆ The challenges in deciding on the optimal modalities for delivering development assistance to Africa, balancing pervasive government failures and lack of capacity on the one hand, and the centrality of efficient public service delivery and the complexities of competitive domestic political forces, on the other.
- ◆ Lessons that can be drawn from experiences in Zimbabwe and the sub-region from (field) challenges confronted in the coordination and delivery of development assistance in Africa.

- ◆ Personal impression about Overseas Development Assistance (ODA) as a mechanism for addressing poverty in Africa, particularly in the context of the Paris Declaration and the European Commission, and views on the Monterrey Consensus, Gleneagles and Doha negotiations on trade.

In what follows, Amb. Kristina Svensson shares her thoughts on the foregoing leading issues relating to the future of development cooperation in Africa, offers a prognosis on the focus and channel of support, and presents some perspectives on what she considers as some of the missing links in the quest for sustainable growth and development in Africa.

### IV. TRANSCRIPT OF KNOWLEDGE-SHARING INTERVIEW

*KMD, ACBF: In your opinion, what are the leading issues for the future of development cooperation in Africa, including your delineation of the critical sectors that should be targeted for catalytic development assistance in Africa? The Foundation is interested in your views on the importance of capacity building versus traditional technical assistance for the future of development cooperation in Africa.*

*Ambassador Svensson:* To me, democracy and good governance are the leading issues for development. Coming from a small country, Sweden, which achieved economic growth and a high standard of living for its citizens, I can clearly see the connection and interrelation between political stability, economic growth and political democracy. I can see the correlation between democracy and peace as well. Historically, democracies are unlikely to start wars. A democracy might be forced to

defend its nation and citizens against an aggressor, but history tells us that the best guarantee for peace is to safeguard democracy and its institutions, and ensure respect for human rights. However, I am also aware of an emerging consensus in the development discourse that maintains that governance, and not democracy as a model *per se*, is the critical factor for development, particularly with respect to accountability, stakeholder ownership and participation in the development process, a zero tolerance to corruption, and, most importantly, leadership and political will.

But today, nations are becoming increasingly interdependent, which means that, in order for poor countries to develop economically, they have to gain greater access to international markets. As poor countries, especially in Africa, are disadvantaged in the export of most of their products, there is need for the international community to revise obstacles and open up for more fair trade. This must be done through trade negotiations that take place on the global arena within the WTO, between regional organizations such as the EU and Africa's regional economic communities (RECs), and even on a bilateral basis between countries.

We witness today the escalation of food prices, which led to demonstrations and riots, as it has adversely affected the livelihood of the majority of the poor. The agriculture sector in most African countries relies largely on traditional farming methods. Small-scale farmers don't have access to tractors, fertilizers and irrigation, thus produce meager harvests. Because of the lack of access to labor-intensive capital equipment, a large share of land is not being used productively. The low productive capacity has occasioned increased reliance on food imports for most African countries, which, in turn, led to balance-of-payments problems as most of these countries do not have adequate foreign currency reserves. There is a consensus that the current

spate of food price increases has exacerbated hunger and starvation because the poor spend a disproportionately larger share of their household income on food and a significant number of the poor in Africa are net food buyers thereby threatening to derail Africa's progress towards meeting the MDGs. It is time therefore for donors to re-affirm their commitment to capacity building of smallholder agricultural production in an effort to brighten the prospects for growth and poverty reduction in Africa.

Finally, the role of women in development must be fully recognized, as will be discussed later on in subsequent sections.

In conclusion, I submit that the following critical areas should be addressed in development programs:

- ◆ Supporting good governance and human rights;
- ◆ Strengthening capacity for trade policy formulation and implementation, as well as trade negotiations;
- ◆ Developing infrastructure for economic development;
- ◆ Increasing assistance to agricultural development, with a particular focus on smallholder agriculture and food security; and
- ◆ Enhancing women's role in the development process.

Capacity building has gradually taken center-stage in the development cooperation over the last decade, particularly in respect of the need to build sound institutions for a functional democratic country. Institutions for checks and balances, notably anti-corruption commissions, revenue authorities and the Auditor General's office, need critical capacity strengthening to enhance accountability of the Government. The same is valid for financial sector institutions, including Reserve Banks. Similarly, Members of Parliaments and parliamentary staff should be offered skills

development opportunities to ensure that the legislative institutions operate adequately and transparently. In recognition of the pivotal role of regional public goods and their coordination, capacity building of regional institutions and regional think tanks has also assumed pride of place in the development discourse.

The African Capacity Building Foundation has, over the years, developed a diversified portfolio of projects and programs that seek to address the variegated capacity needs of African countries with a view of achieving sustainable growth and poverty reduction on the Continent. Much as there has been talk on the need to scale down the use of technical assistance in sub-Saharan Africa, I contend that capacity building efforts do not preclude the need for technical assistance. This is very obvious when it comes to the development of smallholder agriculture. For instance, technical assistance may still be required to tap into and adapt the improved technologies rolling out of the western research and development (R&D) systems to suit local conditions, perforce given the fact that several African countries have failed to build adequate and dynamic R&D capacity since independence. I will however hasten to note that, while technical assistance may be necessary in the short-term, it should increasingly give way to capacity building in the medium to the longer-term.

*Why do you think that Africa has such a huge resource gap, needing so much aid?*

*Ambassador Svensson:* I would like to rephrase the question. Why are foreign and domestic investors so reluctant to invest in Africa? One of the reasons is that most African countries have weak states, meaning weak governing bodies and institutions. Corruption has been (and still is) a huge problem in many countries. The citizens have no trust in the functioning of the state and therefore, are reluctant to pay taxes to finance public service

delivery. I have met so many Africans questioning the reason why they should pay taxes when the money disappears in the pockets of officials and politicians.

In the same way, a large number of African countries have difficulties attracting foreign investment because their political systems lack credibility. Foreign and domestic investors are both likely to invest in a country where rules and norms are trustworthy, the monetary system is stable, and property rights are secure and enforceable. Another reason for the lack of investment is, of course, political unrest and military conflicts. Peace and stability are preconditions for long-term investment.

The brain drain is yet another dynamic that has seriously undermined Africa's competitiveness in the eyes of foreign investors, for the sheer reason that a skilled (and healthy) workforce increases the investment's productivity. The dearth of opportunities in most countries has precipitated the exodus of professional Africans for greener pastures to Europe, Australia and the United States of America. This is especially the case for doctors, nurses and assistant nurses who left their native countries and a malfunctioning health delivery system that has inordinately militated against the poor, at a time when HIV/Aids was putting relentless strain on the health delivery systems across the Continent, particularly in Southern Africa where the incidence rates are the highest.

A crucial question is, of course, how long will the donors tolerate that their development assistance does not lead to measurable results and impact? I think that donors in the future must focus more on monitoring and evaluation of development cooperation to ensure that aid recipients are indeed pursuing the goals that have been set up and are on track to achieve the targeted results and impact. Nowadays, donor governments are met with increasing pressure from their constituents (i.e. tax payers) to show sustainable results for their investments.

*Could you share with the Foundation your first-hand experience gathered during your mission to Zimbabwe and the sub-region (Malawi, Mauritius, Zambia), of the missing links in Africa's quest for sustainable growth and development?*

**Ambassador Svensson:** My first mission in the sub-region was as Ambassador to Zambia where I was accredited in December 1996. Five years earlier, Zambia had held its first multiparty elections, which culminated in President Kaunda handing over power to the newly elected Fredrick Chiluba. The transition from one-party system to political pluralism went smoothly, without violence. Democracy was however frail and was probably most fraught when President Chiluba embarked on economic liberalization and the ensuing hardship experienced by the citizenry, particularly unemployment and the attendant risk of social unrest. The Copperbelt mines were privatized, and some had to close down due to viability problems. Having experienced the change in Eastern Europe following the fall of the Berlin Wall and the Soviet Union, I knew how difficult and painful political and economic transitions could be.

The donors were nonetheless providing support to the stumbling road to democracy in Zambia. Backlashes occurred especially when President Chiluba tried to manipulate the constitution to remain in power. Corruption was also prevalent and involved high-level people in the political sphere.

But today, Zambia has managed to overcome most of the pitfalls and, in an African perspective, is doing very well registering a steady economic growth and political stability. When I returned to Zambia last November, I was quite impressed. In Lusaka, lots of construction activities were taking place and, when I reached South Luangwa, I could see the changes in the countryside where new schools have been set up, small markets were flourishing and people were using bikes,

instead of walking, to get around. Once again, I was convinced that political pluralism, good governance and market economy are the stepping stones for development.

Zimbabwe, where I served subsequently, presented a completely different picture. President Mugabe declared in his speech on Independence Day in 1980 that all Zimbabweans should build the new nation together. The white population felt assured that they could remain in the country. However, when farm occupations started in 2000, this marked the downfall for Zimbabwe. I witnessed how fundamental human rights were tramped, elections were manipulated, people were denied food and their houses were burnt down. The economy of the country got close to a meltdown. What had been a wonderful and rich country became poorer and as a result, its people suffered and struggled. This was captured in the statistical figures, such as life expectancy which went down from 54 to currently one of the lowest in the world. I was once more convinced that the missing links for development are lack of democracy and good governance, lack of respect for human rights and violations of the dictates of a market economy.

My third country, Malawi, also struggled to sustain the transition to democracy but succeeded in the end. As a result, Malawi has, over the past years, managed to increase its food production and become self-sufficient. This has been possible through donor support to small-scale farmers.

Finally, Mauritius, the tiny island in the Indian Ocean. I found my visits to Mauritius always refreshing, not only because of the sea breezes and the beautiful beaches, but mostly because of the political and economic progress the country has posted over the years. Mauritius is a clear testimony showing how the melting pot of different descendants, in this case, Indians, Chinese, Creoles, French and English could live and work together. A stable democracy,

innovative economic initiatives, investments in education and human resources made the country almost a paradise.

The lessons learnt from these four countries are the same, namely that:

- ◆ Sustainable growth and development is only possible where there is a culture of political pluralism, good governance and market economy;
- ◆ Donors can and should support efforts to strengthen democracy and good governance in countries making the transition; and
- ◆ Donors can play a crucial role to strengthen democratic institutions through capacity development.

*Having been on the ground in an ODA recipient country and region, what are the challenges in deciding on the optimal modalities for delivering development assistance to Africa, balancing pervasive government failure and lack of capacity on the one hand, and the centrality of efficient public service delivery to the development nexus on the other, added to the complexities of competitive domestic political forces?*

**Ambassador Svensson:** Development issues are complex and there are no simple solutions to development. Let me start by looking at the supply-side of development assistance, that is, the developed countries. The most crucial prerequisite for the allocation of sufficient development assistance funding in national budgets, is the political will to do so. Various political parties have different policies and, when in power, they implement what is on their political agenda. Changes of political majorities might lead to changes in the national budget lines for development assistance. Voters in developed countries expect results, aid efficiency, and aid, effectively reaching those in need. Furthermore aid allocations vary in figures as that particular budget line is

expressed as percentage of GDP. Budget allocations are generous during economic growth and trimmed down during economic downturns.

There is nowadays a tendency in donor countries to fund new areas, such as cost of immigrants and cost of peace-keeping operations, from development budgets, thus creating a competition for budget allocation for development assistance. The various political majorities in donor countries may also have different selection criteria for aid recipient countries. In my own country, Sweden, the new political majority in Parliament has endorsed a new policy for international development cooperation aimed at curtailing the number of countries that will receive financial assistance from Sweden.

There is also a much stronger emphasis on the need for recipient countries to demonstrate a genuine political will to strengthen governance and ensure respect for human rights. It is my impression that constituents in donor countries have become much more articulate and will not therefore accept that taxpayers' money is used to prop up governments that are not strongly committed to good governance and poverty reduction. When I was serving in Zimbabwe, the Swedish Government had to take the difficult decision of suspending bilateral cooperation between our two countries, because of human rights violations in the country.

Modalities for development cooperation must be specific to the situation of each country. A country emerging from civil war would have different post-conflict needs than a country that has enjoyed peace and stability for a relatively long period of time. When Rwanda received development aid in the aftermath of the 1990s genocide, the need to rebuild the country was different and much more focused on technical assistance than compared to, say, the needs of Zambia, where capacity building efforts were geared towards the transition to

economic liberalization. The recipient countries themselves are the experts on the kind of aid they need, the sectors that should be given priority and the modality for aid delivery.

*What lessons can you draw from your experience in Zimbabwe and the sub-region regarding the (field) challenges confronted in the coordination and delivery of development assistance in Africa? Did your field experience in the sub-region differ with your a priori expectations during your time in the Swedish Government, in particular, did the former update the latter?*

**Ambassador Svensson:** During my stay in Zimbabwe (2001-2006), I witnessed the deterioration of the political situation and human rights violations. Elections were not considered to be free and fair, which resulted in political violence; media freedom was infringed; food distribution was used as a political weapon; peoples' houses were demolished. The European Union countries responded to the situation by imposing so-called smart sanctions against Zimbabwe's political leadership. The main lesson I learnt was that sanctions were a very blunt weapon and, in the Zimbabwean case, have been impotent, as they did not bring about the desired change.

I also realized the importance of the international community's continued support to the people of Zimbabwe, who were the victims of harassment and bad policies. When government-to-government cooperation was suspended, we had to find alternative channels to direct aid to the people by funding UN agencies and NGOs, which could reach out and deliver humanitarian assistance. We also provided support to NGOs promoting democracy and human rights. Many of those who were tortured were treated by NGOs funded by international donors. The Zimbabwean drama shows clearly how fast a

well-functioning country can deteriorate, life expectancy can fall and poverty can spread in the absence of democracy and good governance.

In Zambia, I understood the importance of aid coordination and harmonization. Long before the Paris Declaration, donors, together with the Ministry of Health, coordinated their assistance in the health sector. This process was not easy as donors had to revise their individual preferences for the mutual good. But gradually, they realized that aid would be more efficient and effective when coordinated in one joint program rather than scattered in many different projects. I learnt that the success of coordination lay, to a great extent, in the political will of the Ministry of Health.

Did I benefit from my political experience as a Member of Parliament when working in the field? Yes, in many ways. A politician is at ease with colleagues working at various levels and from different countries. A politician has a good knowledge of political systems and how to approach political issues. A politician is a socially gifted person, who can move easily between various environments. A politician working on international issues has an extensive international political network. This experience often helped me dealing with tricky situations in the field and gave me a better understanding of political processes in countries where I served.

As an MP, I worked primarily on international issues, specifically on those related to development cooperation. This experience enabled me to play a key role in formulating Swedish development policies. Shifting from the abstract world of analyzing written material in the Swedish Parliament to the hands-on work of administering development projects and programs in an embassy was like walking from a warm house into a cold one! As an Ambassador, I had to tackle all the practical complications, while keeping sight of the larger goals without getting lost in the practicalities.

I felt very privileged to have this dual policy-making and field experience and, in retrospect, I can clearly see how one benefited the other.

*What do you think of ODA as a mechanism for addressing poverty in Africa, particularly in the context of the Paris Declaration and the European Commission? What are your views on the Monterey Consensus, Gleneagles and Doha negotiations on trade?*

**Ambassador Svensson:** The Millennium Declaration and the increasing frustration with the limited results of development efforts have sparked a slow but visible transformation in development cooperation. Emphasis is now being put on increasing national ownership and leadership, calling for real harmonization, alignment and result-based orientation of donor agencies across the board. While African countries and the international civil society need to keep following up on these pledges, it is reasonable to presume that resources will not be transferred unless there is clear political commitment in the partner countries to the multi-dimensional poverty reduction efforts, as embodied in the Millennium Development Goals (MDGs), the initiatives on good governance (accountability, participation, stakeholder ownership) and zero tolerance to corruption.

In order to achieve sustainable growth and poverty reduction, it is crucial that sub-Saharan countries will be integrated in the world economy through trade and foreign investments. This urgency applies more specifically to the least developed countries. Out of the fifty LDCs as defined by the UN, thirty-four are sub-Saharan Africa countries, sharing roughly a population of 750 millions which represent about 11.5 per cent of the entire world population while accounting for merely 0.6 per cent of the world gross domestic product. It is obvious that LDCs are marginalized from the global economy. Most of these countries are members of the WTO

but their voices are not heard or taken into account when trade negotiations take place. It is therefore important to enhance their capacity for trade policy development, management and negotiations by developing their expertise on trade policy as well as their analytical skills. In addition, domestic trade policy processes and institutions dealing with trade issues in these countries need to be strengthened. WTO membership will hopefully bring real opportunities with Africa's increased participation in the multilateral trading system. Historically, this constituted the way out from economic stagnation for many countries, such as China, India and Vietnam being the present-day examples. Therefore, I think that trade development should be a crucial component of donor assistance in Africa.

An increase in trading opportunities for developing countries will trigger trade liberalization in these countries. Reduction of trade barriers in the high-income markets, especially for commodities and products for which African countries have a comparative advantage would also benefit global trade. The other concern with Africa's trade capacity is that a majority of countries invariably export primary commodities which, until recently, have suffered from a constant decline in prices. Export finished products would generate greater employment and greater claim to the global value-chain (profits). However, developed countries have put in place tariffs peak and tariff escalation systems, in an effort to protect their domestic markets, making it difficult for developing countries to diversify. As a result, the development of processing industries in countries exporting raw materials is effectively discouraged. Despite the lethargy affecting Doha trade negotiations, it is heartening to see that proposals are put forward for a significant cut in tariff peaks and tariff escalation, as they are overly protective and go against the WTO principles. Barriers have, to some extent, been reduced but more can be done, particularly by the EU. Reform of the EU Common Agricultural Policy (CAP) will

open up trade opportunities for many developing countries. In this regard, Sweden is one of the EU member states working on these agricultural reforms which aim at reducing EU subsidies and preferences in the agricultural sector.

Trade would definitely constitute an engine of economic growth and poverty reduction in Africa. The links between trade, growth, and development are however complex. I find it crucial for development assistance to include the setting up of trade agreements and the promotion of trade liberalization. As regards the Monterrey Consensus and the Doha negotiations on trade, there are obvious obstacles to reaching consensus, but hopefully the process will bring forth improved trade liberalization. With respect to the Gleneagles summit, I hope the pledges made will translate into economic transfers with a view to reaching the Millennium Development Goals.

The Paris Declaration is a big step forward for donors in terms of effort coordination, mutually beneficial to partner countries through reduced cost of transactions and increased ownership. I don't see why the European Commission cannot take part in this kind of coordination. My experience in Zambia, at a time when donor coordination in the health sector was in its early stages, was positive, and the new and improved model of coordination has produced better quality and results within the Zambian health system.

## **V. IN-DEPTH INTERROGATION OF ISSUES**

### **i. LESSONS LEARNT WHEN SERVING IN AFRICA**

Why has development aid to sub-Saharan Africa during the past 40 years failed to achieve its goal of assisting newly independent countries in their efforts to attain sustainable political, economic and social development? The reasons are intricate and interrelated, and neither cooperating partners nor recipient governments have done all they could to make it effective. What needs to be changed in order to ensure that aid is as effective as it is supposed to be and as sustainable in the long term? This discussion will focus on what I consider to be the most important considerations.

My 20 years of education at the 'University of Africa' began while serving as an MP in the Swedish Parliament for ten years. As a member of the Standing Committee for Foreign Affairs, I focused mainly on development assistance, in terms of making our assistance more efficient and enhancing both the size and effectiveness of Swedish development assistance. The perspective from my parliamentary seat in Stockholm was more political than practical. It was not until I had the opportunity to serve for ten years as a diplomat in sub-Saharan Africa that I fully realized the difficulties and challenges of the Continent's development issues. I drew four main lessons:

- ◆ There are no simple solutions for Development.
- ◆ Africa is not homogenous.
- ◆ Theoretical knowledge on development is not enough; an in-depth understanding of what is happening on the ground is vital to success.
- ◆ There are a number of similarities between my own country's history and today's Africa.

Development depends on an intricate weave of various factors and we cannot isolate one single factor that will magically lead to development. During the last fifty years, different schools of thought have advocated for their respective recipes for achieving economic and social development. The conclusion of each of these theories is that sustainable development can only be attained if and when fundamental principles of democracy and good governance, as well as sound macroeconomic principles, are put in place. There are no short cuts to development.

The image of Africa in the western world is too often an image of conflicts, wars, poverty, and diseases. Certainly, this is part of the African reality, but Africa is also about democratic progress, multiparty elections, economic growth, and healthy children. This heterogeneity was clearly illustrated in the countries where I served: Burundi, Zambia, Zimbabwe, and Mauritius.

Burundi held its first multiparty elections in 1993. Political parties were divided along ethnic lines. The result of these elections was that the Hutu majority party came to power after years of Tutsi minority rule. The transition from a one-party system to political pluralism was marred in violent ethnic clashes, hatred and killing. A long process of conflict resolution and healing had to take place for Burundi to heal deep wounds and restore the trust among its citizens. In addition to development programs to fight poverty, humanitarian assistance was needed to feed internal refugees.

Zambia held its first multiparty elections in 1991, and managed the transition without violence. However, the new democracy was fragile and the liberalization of the former command economy put much stress on development efforts. When former state property was privatized, the full price of the command economy had to be paid, especially in terms of rising unemployment and the obvious risk of social unrest. Financially non-

viable mines were forced to close and once-prosperous mining communities became abandoned villages. Even for financially viable mines, restructuring for private ownership required enormous investment in new techniques, human resources and modern equipment. In this economic and political environment, development assistance needed to focus on strengthening democracy, building capacity and fighting poverty.

Zimbabwe presented yet another African image. As Sweden's ambassador to Zimbabwe during the first five years of the new millennium, I remembered how we often traveled from Lusaka to Harare in the 1990s to enjoy the good restaurants, the new movies, the well-stocked shops, and interesting talks and concerts at the Book Café. On the road to Harare, we passed through flourishing fields of tobacco, big herds grazing, filled dams, and prosperous farms. But while I served in Zimbabwe, economic development stagnated and declined. Zimbabwe became the poor brother of Zambia. The tobacco curing barns were deserted. Most of the rich fields were unattended, and agricultural production was inadequate to feed the nation. Bilateral donors withdrew development assistance because the rule of law was not respected, press freedom was curtailed and democratic principles were violated.

Finally, there was Mauritius, the tiny island in the Indian Ocean with its white beaches and green sea. A nation economically dependent on sugar in a world where too much sugar is produced; a nation where Indians, Chinese, Creole, French and English descendants live peacefully together; a nation where the ruling party hands over the power to the opposition when it loses the election. Here, the situation was entirely different. This country needed only preferential trade agreements to stimulate economic development and enable it to create new export opportunities and new products that would find their way to overseas markets.

Certainly, Africa is not homogenous. Not even individual African countries are homogenous. Each country, each situation, each population group is unique and requires its own set of tools to build and stimulate development.

My third lesson learnt was that, in spite of all my theoretical and political knowledge on development processes, my understanding of what was actually happening on the ground was limited, particularly with regards to cultural insights. During the ten years I served in African countries, I gradually acquired more knowledge and better understanding by participating in cultural events, talking to chiefs and chieftains, meeting with women, and listening to oral traditions. I understood the importance of respect for elders, how chiefs and leaders are revered, how conflicts used to be resolved through consensus under the tree. I learnt how the spiritual part of life was present in everyday life. I learnt that, in order for development efforts to achieve positive results, donors must listen and show respect for cultural traditions. This respect and understanding does not necessarily imply approval.

The fourth lesson learnt was that Africa's economic and social challenges today are, in many ways, similar to Sweden's challenges a hundred years ago. My mother was born in Sweden in 1904. She grew up in a society where there were big gaps between those who had and those who had not. The majority of Swedes were poor. Often there was not enough food. To get better opportunities, people moved to the cities, only to find unemployment and bad housing. Young girls prostituted themselves. Children died from diseases like tuberculosis. Life expectancy was short. But Sweden developed into a country with high standards of living and a steady economic growth.

While in Africa, I often wondered what particular factors made this transformation possible. I found the answer in three keywords: peace, democracy and education. Sweden has

not participated in any war for almost two hundred years. Full political democracy has been practiced since 1921, when women were given the right to vote. Free basic education for all was introduced in the 1840s. This does not mean that it will take a hundred years for Africa to reach this point of development. Modern means of communication and globalization will substantially shorten that time, but real development will not be possible without these three fundamental ingredients: peace, democracy and an educated population.

In conclusion, it is my firm belief that, when people in African countries enjoy peace and stability, when democracy is practiced at all levels of society, when all children have access to basic and higher education, then sustainable economic and social development will follow. I am aware that the road is, and will be, bumpy. I am aware that, in spite of the progress made in the last decades, Africa is still a vulnerable continent. The strengthening of democracy, good governance, poverty-reducing economic growth, peace and, last but not least, women's participation, are fundamental factors for stabilizing and developing the continent. Below, I will examine some of the aspects of democracy and good governance that need to be strengthened in order to achieve sustainable development.

## ii. **DEMOCRACY AND GOOD GOVERNANCE**

We all know the main building blocks of an effective democracy: a strong democratic constitution, free and fair multi-party elections, good political leadership, effective people's representation, independent and impartial judiciary, a free and independent press, impartial and independent government institutions, and a vibrant civil society. In nascent or fragile democracies, all these components need to be guarded and strengthened to enable them to function as required and withstand attempts of violations.

Democratic leadership must also transcend ethnic and tribal boundaries. Ethnic fraternity must not prevent criticism of 'brothers' who have violated democratic principles. Ethnic solidarity must never include tolerance of tyranny or dictatorship. Idi Amin, Sani Abacha, Mobutu Sese Seko, Jean-Bedel Bokassa and Robert Mugabe have all deserved strong criticism, even denouncement, from fellow African leaders. This has been most notable by its absence.

Why are so many political leaders in Africa so desperate to cling to power that they are prepared to rig elections, corrupt the judiciary, terrorize the opposition, muzzle the press, and even violate or change the constitution in order to remain in office? In Zambia for example, President Chiluba tried to change the constitution to stay in power after serving two terms in office. In Malawi, President Muluzi tried to do the same. I believe that hunger for power and the benefits of corruption are parts of the answer to the question raised above. I served in Zambia and Malawi at these occasions and observed how the political opposition, the media and the civil society had to defend and protect their constitutions. Fortunately, the will of the people prevailed, and democracy and its defenders stood the test. Fortunately, the number of African presidents who resign after finishing their terms in office is steadily growing, signaling that democratic principles are increasingly being respected.

Parliament is the heart of democracy and its elected members its life blood. A vital democracy needs capable and articulate political representatives. Measures to build the capacity of parliament and its members are therefore crucial to the establishment of democratic governance. Parliamentary strengthening is important because it promotes the representative capacity and legitimacy of a political system. Parliaments that can carry out their functions capably are critical to the advancement of democratic

principles and culture throughout the society. During my years in Africa, I had the opportunity to interact with a great number of politicians at different levels, many of whom were committed to the economic and social development of their nations. But I have also met politicians who seemed more interested in promoting themselves and their re-election than doing the work they were elected for. Politics was often personalized and lacked long-term vision. MPs were more inclined to consider themselves as representatives of their constituencies than to fulfill their role as legislators. Too much time was spent sourcing donor or NGO funding for a school in their constituency, and not enough time for developing legislation on a national education system. Ensuring re-election was more important than the national agenda.

National parliaments are fora where representatives for the majority and the opposition work and debate in committees and assemblies. The significant role of the opposition cannot be ignored. In a democracy, the political opposition has a vital role to play in scrutinizing proposals put forward and decisions taken by the majority. The opposition must be strong in order to ensure effective debate and fair representation of minority viewpoints. A lively and constructive debate in parliament is necessary for democratic progress. But what is said and done in the parliament must also reach out to the people. This is essential in order to create an open, progressive and democratic society, and that is the reason why i.e. public broadcasts of parliamentary sessions are so important.

Most African parliaments have weak opposition parties, which rely on economic funding from the private sector or civil society. Erratic funding is one of the factors that weaken opposition parties. A few countries provide funding to all political parties represented in parliament through budget allocations, which in my opinion, is a much

more democratic system than the reliance on financial contributions from voters and specific interest groups. Public funding of political parties promotes sustainability and ensures independence from private contributors, thus removing the need to pay back political favors.

New members of parliament need training to perform their forthcoming duties. They need to learn how the parliamentary system works, how a budget proposal is analyzed, how committee work is organized, and how parliamentary services are used. In addition, members must maintain a close interaction with their constituents. Capacity building programs targeting parliamentary staff and members from other countries and continents are also essential. My own experience taught me the importance of this interaction. In Burundi I organized meetings between MPs from Sweden and South Africa, thus providing the opportunity for Burundian MPs to dialogue and learn from the South African example. By doing so, the value of political dialogue and the importance of identifying a common ground in spite of differences were highlighted.

In Zimbabwe, I linked MPs with international organizations such as Parliamentarians for Global Action. I encouraged members from both the ruling party and the opposition to participate in international meetings, to break away from their isolation, and to promote a platform for interaction. In Zambia, the Swedish Residence in Lusaka became a meeting place where female parliamentarians and female heads of missions convened to discuss leadership and gender-related issues. Parliamentary networks could enhance this kind of initiatives by taking a more active role in the capacity building of MPs and parliamentary staff. The African Parliamentary Assembly and SADC Parliamentary Forum are natural focal points for MPs in the region to interact. There are also regional organizations, such as think tanks on economic development and conflict resolution that can be sources for information and knowledge for MPs. Unfortunately, many MPs are unaware of these centers.

Information is nowadays easily accessible on the internet, and basic computer skills and access to the internet should also be provided as part of the capacity-building process for MPs.

In Africa, about fifty per cent of MPs are voted out of office each election. It is therefore essential to base legislative support programs on long-term strategies. In this regard, support programs should be demand-driven and build on existing national reform agendas.

A free press should be the watchdog of democracy. During elections, representatives of media must be able to scrutinize the electoral process. Media must have access to political rallies and it is their duty to analyze political messages and present them to the public in a way that people can easily understand. Independent media analyses will help voters to see through fancy political promises and give citizens opportunities to form their own opinions. This scrutiny and analysis becomes even more important after and between elections. There will always be some media organizations that act as megaphones for a ruling party and therefore, the existence of responsible independent media is crucial. State agents must not harass the media. Journalists must feel free and safe to communicate and criticize. Self-censorship must never be construed as a requirement to be politically correct.

For democracy to work, independent public institutions are imperative. Strong and competent commissions and institutions are prerequisites for good governance. The strengthening of the Office of the Auditor General will, for example, help to ensure financial accountability of ministries. Annual reports to parliament and the public will ensure transparency. Similarly, independent and strong anti-corruption commissions and tender authorities are crucial to guarantee transparency of, and accountability in, the privatization process.

Civil society, including churches, unions, charities, human rights groups and NGOs must, like the media, be the society's watchdogs. A strong democracy is characterized by vibrant NGOs that are free to operate and criticize without government interference, even when their messages are uncomfortable for the government.

### **iii. POVERTY REDUCTION AND ECONOMIC DEVELOPMENT**

Parallel to democratic development, policies must be designed to create an environment conducive to poverty reduction efforts. Additional funding from bilateral and multilateral donors is important to assist in the early stages of implementation of these strategies. The long-term goal, of course, is to become financially independent from donor funding.

The experience of an economic and industrial transition in my own constituency in Sweden during the 1970s and 1980s gave me a better understanding of the challenges facing the African countries in which I later served. I was elected in 1985 on a social democratic ticket in a mainly rural constituency in the western part of Sweden. This area, with its large wood-processing plants, was once the heart of Sweden's mining industry. However, during the 1970s, several mines had to close down. The resulting unemployment, coupled with the lack of a regional tertiary education center, forced many of the young people to move to the big cities in search of education and jobs. The region soon realized that reliance on raw materials and one or two large employers had made it economically vulnerable. The labor market gradually diversified a painful process which was obviously necessary. The diversification process was supported by the political decision to provide free tertiary and technical education in the regional center, which meant that educated young people would find employment in the newly created

sectors. As the area became less vulnerable economically, young people began to return from the big cities and people from other parts of Sweden also came to settle and work in the region.

Tertiary and technical education is an important component for economic development. But the comparison of the development in my own constituency in Sweden is, of course, not wholly compatible with the African situation. This is mainly because Africa's least-developed countries are marginalized from the global economy while Sweden was not. In order to achieve poverty reduction and economic growth, developing countries must be integrated in the world economy. Today, we live in a global village and we are all interdependent. This is particularly relevant for the 34 LDCs in sub-Saharan Africa, most of which are WTO members. These countries require the strengthening of their capacity in trade policy formulation and management.

However, their WTO membership and their ability to negotiate capably will not be sufficient to turn their economies around. Trade opportunities must also be increased through trade liberalization and the removal of existing trade barriers. Developing countries rely mainly on exports of primary commodities. They are often unable to diversify because of trade barriers on processed products, preventing them from making profitable export. The current tariff peaks and tariff escalation measures, set up to protect the domestic processing industry in developed countries, do not promote an environment for diversification in developing countries. This constitutes a disincentive to the development of processing industries in countries that export raw materials.

Some barriers have been reduced, but more can be done especially by the EU. Reform of the EU's Common Agricultural Policy would improve trade opportunities for many

developing countries. Within the EU, Sweden is one member state which is advocating for the removal of EU agricultural subsidies and trade preferences.

So we see that trade, WTO membership and enhanced negotiation capacity, can act as engines for growth and poverty reduction. But the relationship between trade, growth and development is complex, and trade policies in developing countries must be implemented in conjunction with economic reforms.

Other determinants for economic growth and poverty reduction are domestic and international investments. Here again, democracy and good governance constitute imperative ingredients for success. Investors are much more likely to place their investments in democratic countries with good governance and respect of the rule of law. Investors must be assured that the judiciary system is functioning properly, their property is secure, infrastructure is reliable, and bureaucracy does not hinder profitability. Investors must also be certain that market economy is practiced, that Reserve Banks act independently, and that macroeconomic factors are on track. Today, international investors hesitate to invest in Africa because the risks are too high.

Peace and stability are also important to prospective investors. Investors will not venture in countries where there are armed conflicts or domestic unrest. In these situations, even domestic capital will flee to safer external markets, resulting in missed opportunities to modernize agriculture, undertake diversification, create new jobs, and stimulate economic development.

Liberalization of the domestic economy is yet another key aspect. Rigid command economies are noted for their inefficiency, lack of competition, nepotism and corruption. Zambia's history provides an instructive example of both the 'right' and the 'wrong' things to do. In 1991, when President Chiluba

succeeded to President Kaunda, he got the voters' mandate to transform Zambia from a command economy into a market economy. In doing that, the privatization of state assets such as copper mines, railways, airline, hotels, industries, and the like became the priority of the new Government. The task was daunting. The privatization process not only implied a shift in ownership and the opening up of the economy to foreign investors, but it also would inevitably generate unemployment, as state ownership over the years had led to inefficient use of labor and lack of economic viability. The new owners needed to modernize, invest in new techniques and reduce the staff size. To avoid suspicion and the possibility of political friends' grabbing the family silver, tender processes had to be transparent. Institutions to facilitate the privatization process and ensure good governance, such as the Anti-Corruption Commission and the Tender Authority, were thus set up. The donor community supported the economic transition process through the provision of financial and capacity building assistance.

President Chiluba became the darling of the donors and the western countries had great hopes for the political and economic democratization of Zambia. But gradually, the political climate hardened and political tolerance was infringed. In many African countries, corrupt leaders have enriched themselves, and this also became the case of Zambia. Democracy and democratic institutions were still too fragile to withstand the threats of greed and corruption.

Economic growth also depends on a country's ability to retain home-grown skilled and educated human resources. In the 1960s, 1970s and 1980s, newly independent African nations rightly gave priority to developing social sectors such as health and education, and created school systems to give all citizens access to learning. With the assistance of bilateral and multilateral donors, universities

and training colleges were built to provide the opportunity of professional training in one's own country. Students got high quality education and, as professionals doctors and nurses, teachers and technicians, agronomists and legal practitioners the young generation contributed to the building of the new nations.

But today, things are not the same. Many professionals trained on the continent are emigrating to Europe or the USA in search of greener pastures. African nurses and doctors are assisting the UK in delivering medical care to its citizens. There are more Malawian doctors in Manchester than in Malawi! One third of Zimbabwe's population four million Zimbabweans has left the country, three million of which are now residing in South Africa. Individuals cannot be blamed though for trying to seek better living conditions for their families. It is the task of African governments to make their countries attractive for their young professionals and their families to stay. Africa today is suffering from a depletion of skilled young people that should be stemmed by creating an environment that can ensure better living standards to its citizens. Competitive salaries are not the only factor that young families take into consideration when deciding to stay or emigrate. Educational standards for their children and long-term political and economic stability are also very high on their agendas. Policies for good governance and a market economy will stimulate the growth of a vital and prosperous private sector, thus creating jobs with globally competitive salaries and thereby providing a viable alternative to the flight of African professionals to Europe.

Sustainable economic development and poverty reduction is about jobs creation, equitable distribution of wealth, the nurturing of a thriving middle class. Economic development rests, from my experience, on three major pillars: democracy, peace and education. These pillars must be in place to support poverty-reducing economic growth

and development. Carefully planned and targeted capacity building initiatives can act as the catalyst for this process, enabling a nation's human resources to put these pillars of development in position.

#### **iv. THE ROLE OF WOMEN IN DEVELOPMENT**

Women have a crucial role to play in engendering sustainable development. The role of women in development has been highlighted and analyzed thoroughly during the last few decades. It is now common knowledge that economic and social development is both accelerated and more sustainable, if women are involved in development programs at all levels. I have witnessed how women use the little income they earn to pay for their children's school fees, their children's vaccinations and the delivery of their babies, examples showing that women are fully aware of the importance of health and their own family's economic development. Women will make use of the smallest opportunity to improve these areas. Empowering women empowers the nation. Improving women's opportunities improves the development opportunities for the whole family and, by extension, for all the nation's families. Women are willing to participate in the development process and, if given the opportunity, they have the capability to be much more productive.

Women have the potential to improve their living standards as well as their families', if they have access to credit. The Grameen Bank model is a good way to help women get access to cash. In this system, women organize themselves in savings groups which provide micro-loans. African women are apparently natural entrepreneurs, setting up small businesses that generate small profits, paying back their loans, and subsequently qualifying for larger loans to invest in larger enterprises. The success of such credit systems is found in

the collective support women give each other within the savings groups. A side-advantage is that the established group structure can also be used for capacity building, training and provision of information on other important issues. Women in savings groups train themselves to take responsibilities within the group, thus gaining skills in accounting, business procedures, organization of productive meetings, and much more. This opportunity provides them with the necessary skills and confidence to take on greater challenges, such as involvement in political tasks.

Sweden is proud of its advances toward gender equality. Much has been achieved and today, more than 40 percent of Sweden's MPs are women. But those successes were not achieved easily. As a newly-elected Member of Parliament in 1985, gender issues were understandably high on my agenda. I discovered that female members were usually appointed to sit in committees dealing only with social welfare, culture and education. Few women chaired committees. A very limited number of women were appointed to prestigious committees such as finance and foreign affairs, which were considered to be better handled by men. There were female ministers, of course, but the pattern was the same - they were in charge of portfolios pertaining to social affairs, health, education and immigration. When governors were appointed, the majority of them were men. When female MPs questioned this, they were informed that competent women were lacking for these positions. Therefore, whenever appointments were made, the female caucus presented a list of qualified, competent, and resourceful female candidates. As a result, the female representation in the appointments of government ministers, governors, ambassadors and director generals increased.

While serving in Africa, I realized the same need for women to support each other as had been the case in my own parliamentary caucus.

When I met with African male colleagues, I heard the same arguments: there are no competent women to appoint. How wrong they were! In all the African countries I served, I met and worked with dedicated, committed, skilled and experienced women at all levels of the society. I have met role models such as Inonge Lewanika who, after being an MP in the Zambian parliament, was appointed ambassador to the OAU, and later to the United States. Inonge Wina, a skillful organizer of women's organizations, was later elected as MP. Joyce Mujuru became Vice President in the Government of Zimbabwe. I have also met role models working in NGOs to improve women's situation, such as Emily Sikwaze in Zambia and the courageous Jenny Williams in Zimbabwe. Jenny spent a lot of her time in jail following her participation in demonstrations for the rights of women in her homeland.

During my years as MP, Swedish parliament took the decision to use development assistance to further gender equality. A sophisticated debate was initiated on whether development assistance should specifically target women or gender equality should be mainstreamed into all development programs. The decision was to integrate gender equality in all development programs. Thus, 'mainstreaming' became the norm, but still left opportunities for projects that specifically targeted women.

The issue of gender inequality cuts across the whole society and marginalizes, in too many countries, over 50 percent of a nation's potential. Women are still disadvantaged in the labor market, in political life, in education, as well as in the family because of domestic violence and inheritance legislation. Women's organizations, together with female decision makers, need to be supported in their struggle for gender equality. Capacity building for women is as equally important as that for men. But we must also bear in mind that gender equality is not only about women and the girl child. There is also need to raise men's

awareness on the importance of women's participation in the development process as well as their own role in improving opportunities for women. Men and women must work together to achieve gender equality.

#### **v. SWEDISH BILATERAL DEVELOPMENT COOPERATION**

Sweden has a long history of development assistance, which goes back since the 1800s, when Swedish missionaries set out to preach Christianity and gain converts for their churches. Most missionaries devoted time not only to preaching but also to education, social work and health, by setting up schools, craft and cultural groups, clinics, and hospitals. In the 1960s, cooperation between Sweden and developing countries was formalized and parliament approved annual budget allocations for development assistance. Ties between Africans and Swedes were also forged when African students studied at Swedish universities and when Africans came to live in exile in Sweden. Some of these students and exiles, who were active in political organizations and unions, learned from the so-called 'Swedish model', knowledge they later translated to their African reality. Many personal relationships were formed and maintained long after they returned to their home countries, where some of them later served as ministers and even presidents. The feeling of solidarity between Sweden and sub-Saharan Africa was, and continues to be, deep and lasting.

Sweden's goal of allocating one percent of its gross national product to development cooperation was endorsed by the majority of the political parties represented in the Swedish parliament. There was political consensus that Swedish development assistance should further democracy, political sovereignty, economic growth, and fair distribution of

wealth; enhance sustainable development; and further gender equality. The overall goal was to fight poverty. Government-to-government cooperation was established and bilateral agreements were signed with a large number of countries. Over the years, partners, methods and the content of Swedish bilateral cooperation have changed, primarily owing to increased knowledge of the development process. Some partner countries have reached the point of development where traditional assistance is no longer needed, as is the case of Botswana. New bilateral partners, such as Rwanda, have been included.

To maintain goodwill and popular support for development cooperation, Swedish taxpayers require accountability and positive results. Independent evaluation of development programs have become an important part of assuring the Swedish constituency that public funding is being used in the best possible way.

The fall of the Berlin wall in 1989 accelerated the democratization process in the former Soviet Union and in Africa. Worldwide demand for democracy and good governance has increased during the last fifteen years. In Sweden, this was articulated in parliamentary and public debates on the goals of our development cooperation. Swedish bilateral development assistance is today conditional, and only countries that show a clear political will for democratic reforms and good governance receive long-term development assistance. For example, bilateral cooperation between Sweden and Zimbabwe was suspended in 2001 because of human rights violations. When diplomacy was unable to resolve the issue, Sweden, as a member of the European Union, supported the decision to impose sanctions on the political leadership of Zimbabwe. It was important to show that the lack of rule of law, the restrictions in press freedom and the violation of human rights were not compatible with the partnership principles that were laid out in joint agreements. Sweden is however just one of

many bilateral donor countries and needs to coordinate and harmonize with other donors to increase funding effectiveness. The Paris Declaration of 2005 on Aid Effectiveness clearly states the need of coordination of donors. However, more than a statement of general principles, the Paris Declaration presents a practical, action-oriented roadmap for cooperating partners to improve the quality of aid through partner-country systems. The five pillars of the Declaration are: country ownership, alignment, harmonization, managing for results and mutual accountability.

Country ownership means that cooperating partners will respect the country's leadership and help strengthen its capacity to exercise it. It is translated in the form of an operational development strategy, an aid policy, and a strategy to ensure a systematic and coordinated approach for soliciting and managing aid. Alignment implies that donors should base their overall support on the partner-countries' national development strategies, institutions and procedures. To ensure harmonization, donors' actions should be more coordinated, transparent and collectively effective. Division of labor between the cooperating partners is crucial for harmonization, as well as the use of common arrangements or procedures that will help reduce the transactions costs of aid management. Donors and their partners must be mutually accountable for development results. Both parties must be held responsible for failure to achieve development targets or objectives.

The September 2007 International Health Partnership (IHP), a global 'compact' for achieving the Millennium Development Goals in the health sector, was signed by a significant number of international organizations, bilateral donors and seven governments. The IHP should be seen as an opportunity to renew commitment to aid effectiveness.

Harmonization of aid has been high on Zambia's political agenda since the beginning of the 1990s. In the 1991 elections, the opposition party, MMD, stated in their manifesto that funding from donors must be coordinated to ensure maximum benefit and impact. The opposition won the election and began a dialogue with donors, encouraging them to cooperate in order to minimize bureaucracy and simplify the administration of donor funding. The health sector was the first to launch this process. Political will, strong commitment from civil servants, and enthusiastic partners made it possible to coordinate funding in the health sector. Zambia has today become a positive example of aid harmonization in various sectors. The Zambian example shows that funding is not merely an issue of quantity, but mostly an issue of aid effectiveness and achievement of visible and qualitative results.

In December 2007, the Swedish Parliament adopted a new policy for Africa. Sweden will, in the future, focus its aid allocations to countries where funding will make a significant difference. This is based on Sweden's realization that its development aid had become too fragmented and spread over too many countries. The main bulk of future bilateral aid will continue to be directed to poverty alleviation in Africa, with a particular focus on long-term bilateral support to fewer countries, specifically those with the political will to strengthen and further democracy and good governance.

## VI. CONCLUSIONS

In these memoirs, I have discussed the prerequisites for sustainable development, emphasizing on the importance of democracy and good governance for poverty-reducing economic growth. I have tried to provide some explanations for the failure of development assistance to produce the expected impact. For me, the main reasons are: lack of rooted democracy, absence of peace, lack of skilled population, rigid and centralized economic systems. I have underlined that democracy is a process and that donor support for the process should focus on capacity building efforts.

The growing frustration over the limited results from development aid has set in motion a slow but visible transformation of the way in which development cooperation is being pursued. The Millennium Declaration, the Paris Declaration of 2005 on Aid Effectiveness and the International Health Partnership all point toward this transformation.

A 'New Africa' is emerging. Economic growth is taking place. Democracy is becoming more firmly rooted. The number of conflicts is diminishing. Africa is increasingly able to solve its own conflicts, and its regional organizations are playing a more important role.

After a six-year absence, I returned to Zambia to discover a country heading in the right direction. The privatization of mines and railways has produced competitive new companies. Closed mines are re-opening and new mines have sprung. The city center of Lusaka has been transformed into a huge building site for new hotels, office blocks, shopping malls and housing areas. Today, Zambia is benefiting from the political and economic transition. The political leadership has proven its commitment to democratic values and principles, and the donor countries

have shown their confidence and faith in this political will. Economic stability and good governance have stimulated tourism, commercial agriculture and mining.

Zambia and other members of the 'New Africa' are showing to the world and themselves that peace and stability, democracy and good governance can improve the lives of their citizens and create economic opportunities that previously seemed unattainable.

## The African Capacity Building Foundation

ACBF is Africa's premier institution in Capacity Building. Established in February 1991, ACBF is the outcome of collaboration between African governments and the international donor community. The major sponsoring agencies of the Foundation are the African Development Bank (AfDB), the United Nations Development Programme (UNDP) and the World Bank. The International Monetary Fund (IMF) became a member of ACBF in 2002. The African Union is an Honorary Member.

ACBF's mission is to build sustainable human and institutional capacity for sustainable growth, poverty reduction and good governance on Africa. The Foundation intervenes in six core competency areas, namely, economic policy analysis and management, financial management and accountability, strengthening and monitoring of national statistics, public administration and management, strengthening of the policy analysis capacity of national parliaments, professionalization of the voices of the private sector and civil society.

Besides intervening directly in the area of capacity development, ACBF also provides a platform for consultation, dialogue, cooperation as well as information and knowledge sharing amongst development stakeholders and partners across the African continent.

The Foundation is present in some 44 sub-Saharan African countries and has committed more than US\$350 million to interventions in capacity development since its inception.



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*Building Sustainable Capacity for Poverty Reduction in Africa*  
*Renforcer durablement les capacités pour réduire la pauvreté en Afrique*

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