

CHAPTER 11

THE INFORMATION DIMENSION

There is lots of it, but it is not much use. Much of the information that is available about development has an enormously high cost, but dramatically smaller value. Value destruction at its best. Why is this information not help much in making good decisions about development. Why is so much data good for economic analysis and good material for journalists, but little use in the effective management of development resources. Where is the information to drive transparency and accountability?

Information

The data to understand needs and opportunities, to optimize allocation of resources, use of resources and performance of development. A system to make these data understandable and useful. An Internet based secure distributed relational database makes it possible to manage the allocation and use of resources, track fund flows and use of funds and give excellent accounting and accountability and performance reporting to investors.

In order to move forward from the present state of failure, the first new initiative must be information. It is not just a question of getting more information, it is about getting the right sort of information. What is needed is information will make it possible to manage development and make a success of development initiatives.

There is a lot of information. But it is the sort of information that makes economists happy, but not the sort of data that makes development easy to manage. It is not the sort of information that supports excellence in accounting and accountability.

The whole framework for success changes as soon as there is good information easily available. Information is very very powerful, and it is no accident that leadership likes to be in control of information and the communicators

At a peace rally in New York in February 2003, just before the Second Gulf War, one of the banners read "One of the first casualties of war is the truth"

Information is almost a "right" in a free society, and access to information is one of the first things to go when leadership starts to control society. It happens at all levels of leadership. It happens in all organizational situations. It is not just an issue with respect to government leadership. It is just as rampant in corporate and financial circles.

But in development there is a lot of data, but there is not much that can be used for substantive analysis and for management. And to a great degree, important development information is kept secret. One reason why this information is kept secret or difficult to study is that it shows how terrible the allocation of resources has been for development assistance. Some people, not really very many however, are aware how little of the NORTH's resources are used to support official development assistance. But few are aware how badly these resources are allocated.

Accountability

The first step in making development better is to get the information that is needed to hold the official development assistance (ODA) community accountable for what they do and what they do not do.

I have helped developing country government staff coordinate development assistance.

It is not a pretty sight. On the one side there are the local people, some in positions of considerable power who want projects for their own reasons, some good and some not so good. On the other side there are donors who want projects that serve their own set of interests. A prioritization of projects to optimize the use of resources and the realization of development progress is nowhere to be found in most development coordination efforts. It should be. It can be. But not without information that is accessible to the public and accountability that goes beyond anything we are doing at the moment.

There has been a lot of talk about holding government in developing countries of the SOUTH accountable for what they are doing in terms of resource management and development, but there is far less talk about holding the governments and the institutions of the NORTH accountable in the same way.

It is my impression that there is a big accountability problem in the NORTH, just as there is in the SOUTH. My educated guess is that the value diversion associated with lack of accountability in the NORTH is an order of magnitude bigger than in the SOUTH. The diversion of moneys from potentially high economic value adding works for the SOUTH to much more “politically acceptable” but far less valuable work is endemic throughout the ODA community. It has been a problem for decades, and became front page news in connection with US plans for reconstruction contracts after the Second Gulf War. As someone who did planning for the reconstruction of Afghanistan after the Soviet withdrawal in the early 1990s and participated in the failed advocacy for the continued interest of the United States in the region at that time, I am appalled at the information gap that ensures there will be little enduring accountability for anything. Yes, historians may have a chance at finding out what went on, but what about today's people.

The challenge is simple. There needs to be a universal accountability system that is run independently of government and the official development assistance (ODA) community and international financial institutions and corporations. And this is not really a very big thing. It is not anything like as ambitious as the WalMart data mining system. In its first stages it is quite a modest technical challenge. Depending on “demand” it could evolve into a more highly functional system in the future, but the first steps can be quite modest.

And with this information, there can be accountability.

But more important, with this information there can be improved management.

My most satisfying work was when I was a CFO working with a CEO who understood the economic dynamics of his business, and who used the financial numbers and the operations analysis that we were able to do to confirm the decisions that he had already made. He knew what the company performance had been based on past management information. He made decisions to try to make it better as soon as there was preliminary information that suggested an improvement possibility. He looked to the next set of management information to confirm that his decisions had been effective. If the information suggested something different would be better, then that would be tried. This was excellent use of management information, including the critical aspect of feedback

The opportunity is to do the same thing, but with development.

Independent, neutral data

An independent entity should run the information system

An independent entity should run the information system. The information should be generally available for easy access except in circumstances where there are valid reasons for maintaining data confidentiality. The entity should be independent financially and not have to rely for funding on official development assistance (ODA) organizations or beneficiary governments. The terms of its funding should ensure that the information will not be tainted by conflict of interest, and the operating entity should be financially strong enough to be able to stand up to significant intimidation.

Management information

The main characteristics of management information are that they are: useful, independent, reliable, and universal. How data can be converted into information, knowledge and wisdom? What constitutes good “management information”. How valuable is it? How does important data disappear from public view, and how can this be fixed? What are the needs, resources, uses and results from good public data? How can information be made useful, independent, reliable and universal. How can data be used for achieving development excellence and economic value adding? How much value does this have? How should data be organized, what is the metadata and the best information architecture now that amazing modern technology can be used. How does data get used for management of development resources and how does information get distributed? How can information be kept independent and be reliability. How can the problems of errors, insecurity, hackers, fraud and incompetence be managed? How can information be best used to make good plans, to get well organized, to get funding, to implement well and provide excellence in transparency and accountability?

What is management information?

I think of management information as being the least amount of information that will enable good decisions to be made reliably. It is not a lot of information ... just enough information so that a good decision can be made.

There are several levels of information: (1) data; (2) information; (3) Intel.; (4) knowledge; (5) wisdom. They are all part of a family, and the best results are achieved when all are in play together. Management information is a subset of all of these levels, optimized to have the most value at the least cost.

The value of management information

Management information only has value if it is used ... and if it is good enough so that good decisions can be made. Information that has gone through the media edit and selection processes is rarely of much management value.

Management information is valuable not only when it informs with good news, but also when the information advises about bad things. Whatever the facts, there needs to be information, and there needs to be a way for the information to be used to make decisions and make things better.

Good for planning

Management information is good for planning. Plans need to be prepared based on a solid understanding of the situation ... something that is best done with an appropriate set of management information. Planning is not done well when it is merely a set of scenarios sitting on top of almost no information about the situation, and planning is not the mere collection of information about the situation, and rather little analysis of alternative possibilities.

Good for monitoring performance

Management information is excellent for monitoring performance. A good plan will call for a certain level of expenditure and a related amount of activity and result. Measurement of performance, and the resulting management information facilitates comparison of actual performance with the planned or anticipated performance. It is then easy to see whether or not performance is worse or better than expected, and as a next step, it is possible to get an understanding of why there are differences between the plan and the actual.

Good for identifying improvement opportunity

Management information helps to clarify key aspects of performance ... if actual is better than plan, and there are some reasons for this, how can these reasons be integrated into future planning and ongoing better performance. Management information needs to feed into analysis and feedback and the planning and implementation of improved performance.

Good for oversight

Management information is good for oversight. If everything is going according to plan, based on review of management information, then there is little need for additional physical oversight, but if the management information shows performance issues, then the use of physical oversight might be appropriate. With management information the oversight effort can be used to best effect.

Good for coordination

Management information is good for coordination. Coordination is easy when there is an adequate framework of information. The basic information that is needed to support the coordination work is information about the community, the activities going on in the community, the projects, their funding, their location, and so forth. By making the community ... the place ... the anchor for the information, the relief and development activities can be related to a location, and efforts made to get a fair geographic dispersion of activities around the country.

Good for monitoring and evaluation

Management information is good for monitoring and evaluation. Many of the issues that are addressed in a monitoring and evaluation exercise would normally be included in a good set of management information and be available in a timely way. In many situations good management information would make the need for monitoring and evaluation redundant.

Accounting Information

Accounting provides a lot of information

Quite simple accounting provides a lot of information. Accounting should not be just a vehicle for authorizing disbursements, but also a tool for managing funds and managing performance.

Rather simple analytical methods will provide a lot of information about how resources have been spent. At organizations like the IMF, this is sometimes referred to as analysis by economic classification. In the corporate world there is usually a code of accounts that provides a breakdown of costs in ways they best suit the organization.

A little bit more analysis and all this information can be available also for each of the cost centers or the activities of the organization.

All of this is from a standard accounting system.

More analytical information can easily be obtained

More analytical information can easily be obtained to start to understand more about the performance

of the organization, and the performance of the individual activities. I used to refer to this as key item control ... we used to get some key measures that would be usefully related to the costs to get a measure of how we were performing.

The key items were always the most relevant to the work that was being done ... in one department it might be something to do with the way the trucks were running ... in another department it might be related to the production of castings and the use of energy. These measures all helped benchmark our performance, and we were able to stay in control and make changes that resulted in practical improvement.

But what about value?

In the end however, what we are trying to create is durable socio-economic value, and this is not easily calculated by reference to classical accounting. However, one of the best ways of getting at value is to have a good understanding of what good is being created as a result of the activities ... and then using accounting common sense to put values on the outcomes.

Performance Information

Some of the best metrics are the simplest

A good place to look for examples of performance metrics is in sports. In competitive sport, it is all about measurement. In individual sports, the metrics are usually very precise but many are quite simple. In team sports some of the measurements are very sophisticated, but very much understood by the fans.

There are also a big range of measures in most corporate settings. The main measure may be profits, profit growth and stock value, but there are all sorts of other measures throughout the organization so that everyone can monitor performance and work to improve it.

In general terms the relief and development sector, government and the public sector are woefully behind in measuring performance. The prevalent data is far too aggregated to be of any real value in measuring performance .

Cost, price and value

Cost, price and value are very basic measures, and very useful to have for any activity. How much does something cost is a very basic element of information, and there is no excuse for not having this information about all activities.

Price is normal in the for profit world, and again is an easy element of information to have.

Without going into too much detail, the difference between cost and price is some measure of profit. In many activities that are conducted in connection with social services and support, the price is zero ... the recipient of the services does not pay anything.

But hopefully there is value, even where the price is zero. What is the value? And how does this value compare to the cost? The difference between cost and value is some measure of value adding.

Even though cost and value are of tremendous importance in measuring performance, there has been very little systematic work to establish norms and make them public.

Performance comparisons

Performance should be measured “relative to what?”. There are many different comparisons that are possible including: (1) compared to a prior period or previous performance; (2) compared to a different place or a different organization; (3) compared to the best ever; (4) compared to the plan or to the

budget; and so on. Comparison gives perspective to the measurement.

Some measurements are useful without any reference to a money unit. Fuel consumption can be measured in miles per gallon, and this gives a better measure of engine performance than when the measure is converted to cents per miles which will vary whenever the price of fuel changes.

The idea of profit in a corporate business organization is common. Its equivalent in the not for profit organization should be value adding associated with any activity and the organization as a whole, but this is rarely computed. Most not for profit accounting systems are not set up with this sort of analysis in mind.

Accounting provides a lot of performance information

A good accounting system is a source of a lot of information, especially information about costs. Integrating cost analysis with the general accounting has advantages, but also can become too detailed and too clumsy. There are techniques that can be used to get at useful information without getting buried in detail, including making use of standard costs and doing variance analysis to validate the standards.

Other source of data and analysis

In the corporate world industrial engineering, operations research, value chain analysis and other approaches all help to build an understanding of how costs behave and how operations can be improved to reduce costs and improve the outputs. Something similar is needed in the relief and development community, and something similar is needed in Iraq.

Bottom of the pyramid

Results are best seen from the bottom of the pyramid ... how has the quality of life of the ordinary person improved? How can this be measured in an efficient way ... low cost, reliable, accurate, timely.

It seems that measurement of progress at the community level has potential. The community is where people live, and it is the economic and social activities in the community that provide most of the elements for quality of life. Measure progress at the community level and it serves to measure the progress at the bottom of the pyramid. If the community makes progress ... the people progress.

Progress must be converted in some way into value, something that can be done using the balance sheet concept from corporate accounting. And the cost of getting this progress should be ascertained from fund flows and the activities that have been funded.

Socio-Economic Statistics

Accounting rarely uses statistics

Accounting rarely uses statistics ... rather accounts make lists and add them up. A good accounting system will probably make several lists of more or less the same thing and reconcile any differences ... and if they cannot be reconciled, will find out what went wrong and then be in a position to ask some pointed questions about how and why resources have gone missing. This is basic boring work that gets control of money and other assets, and keeps control of them. This may be boring ... but it is important work. And when it is computerized, it is still important.

This contrasts very much with the statistics that abound in the analysis of socio-economic issues. The same sort of accounting information is not available for many of the measures that are interesting in the socio-economic arena, and statistical methods are the only way ... but too often in my experience statistical method is used where more basic techniques would have given better answers.

Massive amount of socio-economic data

There has been decades of work collecting socio-economic data, and there are a multitude of profiles of the failure of development. The data on this are overwhelming. It is disappointing to find that almost none of the data concerning results is related much to the activities and costs that were involved in reaching this state.

Massive amount of writing ... rather less numbering

There is a massive amount of writing, but not very much information about costs and values. The writing is replicated and used for workshops and reports, but rather less for decision making and the mobilizing of the resources needed to make substantial progress.

When information become useful, in so many cases, it needs to be made secret. The lack of open access to information means that poor performance cannot be seen, and nobody is then held accountable.

We know the results are unsatisfactory, but we have very little ability to see the information that would tell how much it has cost and how little has been done ... and specifically who is accountable for poor performance.

Collection of Information

Getting facts ought to be easy

Getting facts ought to be easy, but it is not. The management information needed is just not easily accessible, even if it exists at all. There are a number of problems that need to be addressed, including: (1) the academic practice of being secretive about the data; (2) the basic lack of relevant data collection; (3) the practice of doing very small samples and using statistical method for analysis; (4) the lack of any systemic framework for logical storage of data in the public domain and easy access to this information.

Nothing here is new

There is nothing being suggested here that is new. The quest for more data has been on the agenda for a long time. The difference is that we are looking for decision making data, and not merely data that can be analyzed and included in some ad-hoc research or annual publication.

Maybe a lot of information has been collected

One of the constraints on decision making in Iraq appears to be the limited availability of management information and much depth of knowledge about the country. I do not know how much information has been collected about Iraq, but it is not easily accessible and I doubt that it is the sort of information that I would want to make decisions about making progress in Iraq.

Maybe a lot of information exists but few know it exists, where it is and how to make use of it.

As much as possible, collection of data done for one purpose can be used for other purposes. Data that are collected initially to make local implementation as effective as possible can be used to provide information at a more aggregated level. Data that are needed for the best possible implementation are normally a lot more comprehensive than the reporting that is needed for donor oversight, and it should be relatively easy to format the information in a range of different ways to satisfy a number of users.

High cost to collect, low value unless used

Information costs a lot to compile and analyze. It is ridiculous that the information and knowledge about development should be so difficult to find and use. As it stands the cost of information is very high, and because of its very low utilization for development planning and implementation it is low value.

Think value management

Think value management and cost effectiveness in any work done related to data collection and information analysis. Constantly looking for the best relationship between resources used and value realized will result in better knowledge for development.

Small samples and statistics is not accounting

The practice of doing very small samples and using statistical method for analysis is academically satisfying, but in terms of accounting and management information it is unsatisfactory. Decision makers need very reliable data, and statistical method only gives this in limited circumstances. It may work for research, but for management unreliable statistics is a poor substitute for a modest amount of good accounting information.

Data Design – MetaData

Organize the data

There is a need to organize data and start to get it into the relational format so that it can be accessed easily by anyone with a basic knowledge of SQL.

There is a need for logical organization of management data. There is no widely used logical organization of management data for relief and development decision making. There is no universal metadata system so that the data are comparable.

There is text ... a lot of it. There are few numbers, and the numbers are difficult to understand. Until the information is organized so that it has the characteristics of management information, it will be difficult, if not impossible to get a relief and development sector that is driven by facts and especially facts about performance.

Incredibly badly organized

In the international relief and development sector, there is a lot of data, but most of it is incredibly badly organized. There are a very large number of different database systems in use and almost no compatibility and coherence between the different sets of database tables. There are a large number of data collections that have been compiled using spreadsheet software without consideration of the (meta)data design and long term implications of spreadsheet data administration. On the other hand, there are data stored within very sophisticated and expensive systems that could just be as well be in a simple spreadsheet environment.

Need for database design improvement

There is a lot of data, but little of the data are organized so that the database structures can be used in an easy and analytically powerful manner. Even some of the most well known large international organizations still use disorganized spreadsheets as their “database” more than 20 years after the relational database model was adopted for large scale information management. There are a lot of data hidden behind software that is good, but too expensive for most people to be able to afford, including most of the GIS software.

Use database technology

Modern database technology enables information to be much better able to be stored and retrieved, but use of the technology should not limit access but improve access. Much more use should be made of the relational model for data storage, and there needs to be much more training in how to design efficient, easy database systems with proper normalization.

Data Quality and Reliability

Problem of misinformation

There is a problem of misinformation that manifests itself in many ways. Heavy reliance on aid for most of the last two decades has created a need for a continuum of crisis in order to sustain the community that benefits from the crisis industry. This is unfortunate, and makes it difficult for true development success to be recognized and success replicated.

Drought ... or Just a Dry Spell?

In the past few years there has been dry weather in Niger. It is difficult to tell whether this was a serious drought crisis or a mere manipulation of the information so that the donor community could mobilize emergency assistance when it would have been better to use resources in a more developmental fashion.

The data and the presentation of information are easy to spin ... and the result is poor decision making, and continuing failed outcomes.

Use peer review to reduce bad information

There needs to be quality control over information on development and socio-economic progress. One way to get better information is to have systems of feedback so that there can be comment about the data and some sorting out of data that are valid and data that are unacceptable. This has some of the characteristics of peer review.

Use the data ... they get better

When data are used, the data are rapidly improved. People will not tolerate criticism based on data that is wrong, and they will explain exactly what is wrong, and what would be right. Correct the data based on this feedback ... correct any systemic data management problems if that is needed. Soon the data and the analysis will be improve, at which point people getting criticized are faced with good information, and perhaps really poor performance that needs to be improved.

Easy Access to Important Information

Secrecy ... hiding corruption and inefficiency

By having easy access to important information, there are all sorts of good benefits, notably making corruption more difficult and making inefficiency less acceptable.

Easy access means more than putting information on a website ... though that is better than nothing. Easy access means that the information can also be seen in ways that are meaningful.

Important information ... or management information is not have one little bit of information in a multitude of different forms ... it is about having rather little information in a way that is useful and tells the story clearly.

Reports ... report design

Easy access to important information is probably best obtained from well designed reports. Easy access to important information implies that information is being delivered in some form of report ... not merely as a bit of information that still has to be related to a lot of other bits of information in order to have much meaning.

Repositories to facilitate easy access

Knowledge about development should be available both in public and private institutions. It is much more cost effective to have multiple copies of information than to have to recompile basic information.

MetaData ... and organizing data

Having a strong organizing function for the data can go a long way towards getting the information into a form that is easy to access and produce useful management reports.

Academic Community

The academic community and information

The academic practice of being secretive about the data, though promoting the conclusions derived from the data, may be something to do with the way in which academic credentials are evaluated and awards made. The effect of the practice is to make use of data much more difficult, and the reduce the socio-economic value of the academic efforts.

The academic community has a key role to play

The academic community is a community around a common interest. In another context I have written rather unfavorably about the academic community.

A View of the Academic Community

The academic sector has several important impacts on relief and development performance including: (1) substantial use of relief and development funds; (2) a substantial influence on thinking and public perception about relief and development; (3) a big role in “teaching” relief and development to students and future policy makers; and (4) being controllers of information about relief and development.

The academic community has a challenge to show that its work in the relief and development area is net value adding. There is some evidence that relief and development resources are being used to a considerable extent to fund academic programs while there is little tangible benefit at the community level in the “south” where needy beneficiaries live.

But in the situation in Iraq the academic community has a huge and urgent role to play. There is so little knowledge about Iraq in the world community ... and without knowledge it is wishful thinking that policy will be optimized. Accordingly it is important that academics in Iraq become as much engaged as they can be in helping well-wishers to understand the depth of the culture and the issues that bring Iraq together and might possible make it break apart.

For our part, that is the international community, we should make it possible for Iraqis to talk about their country in as many places as possible and help with better understanding of the possibilities.

Communications

Modern information and communications technology (ICT) can get information instantly anywhere in the world where there is Internet infrastructure. How can Internet infrastructure become universally accessible. What is slowing down deployment of modern ICT? Who cares enough to ensure that information access becomes available for everyone? What are the possible solutions that can be implemented? Is community centric communication a way to start? How can this become a part of the universal global Internet infrastructure?

Information for fund raising

The ORDA community is responsible for around \$50 billion of fund flow for relief and development. How can these resources which are used inefficiently be displaced by private fund flows that are used efficiently? Fund raising outside the ORDA framework needs to be established, and the right sort of information made available so that it can be scaled up from millions to billions. This is entirely possible with the effective use of information.

Implementing - Management Information

Open access to information

We need to have information easily accessible about the socio-economic situation in communities ... and there needs to be dialog about how resources can best be used within these communities to improve the situation in the communities. At the end of the dialog, the priority should truly be the priority of the community and not the priority outsiders think that the community should have.

Performance measurement ... value adding

The most important metric is value adding which is the delta between the cost and the value of any activity. But rather few people think in terms of value adding and what this means for activity design and the best way to use resources. Most people understand the idea of cost as a component of performance ... usually less cost is better than more cost ... and in general this is right. But this idea is also limited. With this idea doing something that costs nothing ... staying in bed ... in the ultimate in performance, and this clearly is not the case.

What is important is the delta between the value being generated and the cost being incurred. To measure the value adding, it is therefore necessary to measure the value. Value is, of course, subjective, but it is also the most important. What value do people in a community see when the contractors are spending money and doing the work? This is why work done that reflects what people need and people want is so important. If people can see value ... or even if people have reasonable hope for value ... then the work of contractors is worth paying for.

Accounting and accountability

Accountants should be required to do much more to report information for public accounting and accountability. To the extent there is no requirement in law, it makes sense for the public to agitate to get the information. It also makes sense for decision makers to call for better information because they are aware that there is going to be an accounting and the people who are responsible will be held accountable. People avoid responsibility and accountability if the opportunity to do so exists. It is a reason why there needs to be a robust structure to ensure that accountability does not get left out.

Reason for Accounting

My approach to accounting is simple. Assume that everyone is a crook. Design a system so that even in a world where everyone is crooked and corrupt, the money stays where it is meant to be, and is used in ways that are intended and that value is received from the use of money.

And the same goes for other parts of the system that are needed to control other valuable assets, especially inventory and easily movable assets.

One of the key elements of control in a good accounting system is the idea that not financial transaction can take place without two people being involved and that everything is checked. I like to see an additional measure, and that is the amount of resources consumed should have a right relationship with the amount of value in the transaction.

The idea of “transparency” and “accountability” needs to be put into play as a practice rather than merely being conceptual dialog. What this means is that there needs to be easy and open access to a lot more information. If there is adequate and quite basic accounting applied everywhere, then there will not be space for corruption and abuse, and they will be substantially diminished or not completely eliminated.

Though accounting and technology are both less costly and easier to implement than at any time in

history, there are vast areas of the global economy where this information is either non-existent or very secret and not accessible to the public. When it comes to setting the stage for peace ... these sorts of information are powerful in terms of demonstrating that the funds are being disbursed and being used in ways that are of value to the community.

Community information

People who live in a community have a lot of ideas about how their community can be improved ... but there is rarely any support for these local ideas. Once there is a mechanism in place so that local ideas can be turned into local action, it is amazing how much latent potential can be mobilized.

One of the keys is to figure out how the potential of people can be maximized ... and then the potential of the place. Some places are richly endowed with resources, other places are less endowed. And it is essential that planners understand the difference.

As much as anything there needs to be a lot more information about socio-economic status and performance. This information needs to be about the civil economy at the community level. This information includes all aspects of the local civil economy including the accounting of relief and development fund flows, their use and the value of the interventions.

Accessible information

The idea that information about fund flows into relief and development activities in a community should be secret is nothing more than a huge excuse for hiding information about performance, and indeed incompetence, and corruption. Make this information easy to access, and a big part of the problem of corruption will go away.

Specifically, there should be an easily accessible database about all the communities in the country with some key metrics about the community and its socio-economic status, together with some basic information about all the community development activities that are going on, and the fund flows associated with them. What this database will show more than anything else is how little money can make a big difference in the quality of life of a community when it is used well, and how large amounts of money often do very little. This is a dirty little secret of the international relief and development community, and the big spenders in big government and especially the military establishment.

In order to have a new era of accounting and accountability, there should be a public version of the corporate idea of an "open books" policy. In other words, all these fund flows should be visible to the public, and accounting and explanations available. The accounting principles are not complicated at all ... and the technology to keep track of accounting transactions ... the relational database ... has been around for almost 30 years, but now vastly faster and more powerful since it was first described in 1978 courtesy of Moore's Law and the rapid increase in power and the decrease in cost.

Information ... Intelligence

There may be some differences between information and intelligence, but more of both is needed. Without adequate information the civil economy does not progress, and without intelligence military activities are not successful.

Getting intelligence to ensure security for the community is impossible when the community is at war with the police and the military ... and indeed, at war with itself.

But getting intelligence in a community that is embracing a civil economy and getting help in accelerating socio-economic progress is quite possible. A community that has hope and is progressing rarely wants to have the future compromised by violent intervention ... by guns and mayhem.

Successful policing depends on intelligence, and this comes from the police knowing their community

and learning things slowly and right.

Missing Management Information

Missing in Action

Lots of Data ... Not Much Information

Economic data, not financial

The relief and development sector has a huge amount of data, but it is not very useful for decision making. It is almost entirely economic data, usually developed through statistical method, and rarely the sort of information, management information, that is needed to make practical decisions.

A lot of the data are aggregates at the country level ... macroeconomic information. This is a good way of seeing results, but not a good way of measuring performance. Data aggregated at the country level may help in the comparison of countries, but it does very little to understand the good and the bad within a country.

The relief and development sector is managed by staff who have training in many disciplines including economics, public policy, political science, international affairs and others, but rarely are trained and experienced in accountancy. For decades there have been studies that have collected information and used the information within the framework of the study, but rather little effort has been made to get accounting information organized into a system that helps to measure the performance of the relief and development sector.

There are many different datasets that are part of the information pool in the relief and development sector. In fact, each of the major specialized agencies of the United Nations engages in collecting data about their sector ... and this information is interesting, and valuable. Broadly speaking, however, this is all data associated with the economics of the relief and development sector, and not the performance of the sector.

Ignorance is Bliss

“Ignorance is bliss, 'tis folly to be wise” was one of the little phrases I remember from a radio talk show in the 1950s, or was it the 1940s. Over the years I learned to respect information and knowledge, and I still believe that good information is a powerful aid to making good decisions.

A tutor at college advised me to “Get the data, do the analysis, understand the results and draw your conclusions.” He also observed that too much that was in print and common knowledge was just plain wrong, and needed to be worked on.

In the corporate world ... management information has been embraced. In the relief and development sector it is largely absent.

In summary ... lots of information. Little of it of very much practical value.

Why is so much data compiled?

There are many drivers to compile data ... not many of them of much value for relief and development

performance.

Donors have become very comfortable with funding studies and reports. The money is usually paid to nationals of the donor country, and tangible, albeit valueless, reports are produced at the end of the work. The study develops data, and the report makes it available, though usually not easily.

Modern PC technology now makes it easy to compile data, and manipulate it in various ways. It is also easy to merely copy data so that it appears that there is more data than there really is.

And yet a paucity of useful information

The relief and development sector institutions have a huge amount of data, and a lot of studies. But all of this does not translate into very much useful information that makes it possible: (1) to make good decisions; and, (2) to hold people accountable for subsequent performance.

Much of the information is driven by the questions that are asked by economists and the numbers economist use. But as a practical matter how do you improve the Gross National Product (GNP) ... or the Per Capita Gross National Product. Analysis of the GNP can help a bit, but not very much, and in fact, there are a lot of ways in which information about GNP can end up encouraging absolutely the wrong decisions.

Perhaps one of the saddest results of an economist's mindset is that people tend to be forgotten as assets and the power of the economy, but rather the number that GNP is divided by to calculate per capita GNP. Thus more people result in a lower per capita GNP ... a bad outcome ... when a better interpretation would have been that people actually were the power behind creating the GNP in the first place.

Accounting

Accounting in the corporate world is very strong ... it is used everywhere. It helps managers control the resources and optimize performance. But the accounting and the analysis of financial aspects of relief and development is primitive.

Accounting is one of the key tools of management. It is central to management information, but plays rather little role in the management of the relief and development process. Without good accounting, there is little financial control and anything goes.

In the corporate world, accounting has been very effectively integrated into the MBA culture and used by management in every possible way to optimize profit performance. But in the relief and development sector, accounting is still at its most primitive and not much removed from the minimal clerical activity needed to prepare some budget numbers and vouch disbursements. The systems are archaic and incapable of being used for decision making.

The timeliness of the reports shows how much priority the leadership has assigned to the preparation of submission of accounting reports. If it were not so serious it would be laughable.

Lots of Accounting ... and No Information

I have characterized the type of accounting used in the relief and development sector as being “voucher based bookkeeping”.

All disbursements are “supported” by vouchers which show that the disbursement was “authorized” according to the

procedures. Therefore, the accounting is right.

What a travesty! This is a system designed to make corruption about as easy as it gets, and the fact that this system has not been fixed is a terrible measure of institutional incompetence and institutional corruption. Some people do not know how to fix it, and some people do not want it fixed.

In a good financial control system the authority to disburse is checked and the value received in connection with the disbursement is also checked. When value must be received for every disbursement, it is difficult for funds to be used inappropriately.

In the relief and development sector, much of the fund flow moves from institution to institution without actually creating much value ... but hopefully at the end of the chain there is value. It does not matter how many hops the money has to make, there should be a financial control step to relate value to the money disbursed.

Is this complicated? Why has it never been done?

Why are there no metrics about relief and development performance and an accounting for the use of all the money that can easily be audited? Is it a question of incompetence or corruption?

UNDP information going backwards

Going back as far as 1978, UNDP was called upon by resolution of the General Assembly to prepare country level development cooperation reports. These reports detailed all the official relief and development assistance projects being implemented in the country, and were a very interesting and useful dataset. They were not particularly well prepared by UNDP's staff mainly because mostly the staff used for the work were junior and lacked the necessary training and experience to do a good job. Many of the supervisors were not skilled in this work either. But the information was still the best available. These Development Cooperation Reports have been discontinued in recent years, and the reason is not at all clear.

Why Was the DCR Discontinued?

I have been a user of the UNDP Development Cooperation Reports (DCRs) and I have helped in their preparation.

Some "north" countries objected strongly to UNDP doing this work. They considered their bilateral assistance to the beneficiary country to be a private matter between their aid agency and the recipient government. This was very "convenient" because it allowed a lot of valueless work to be delivered ... that is valueless to the "south" though of some benefit to the donor country.

My guess is that UNDP agreed to stop the preparation of the DCR because of pressure from donor countries that do not want their bilateral aid projects to be subject to any form of easily accessible analysis, evaluation or accountability. In return I would not be at all surprised to find that UNDP received funding commitments that it otherwise would not have had.

Around 1990 UNDP starting preparing the Human Development Report, and the associated Human Development Index. This was an attempt to provide metrics that would measure global progress not so much in terms of standard financial economics, but in terms of parameters that were important to the quality of human life.

What is really sad is that this new and impressive new data about relief and development results was not related in a systemic, and quite simple, way to the economic resources being used to maintain this state of human development. A great opportunity was missed.

OECD DAC Reporting

The international community routinely uses the information published by the OECD Development Assistance Committee (DAC) as the definitive information about relief and development fund flows. Based on several attempts to use the data, I do not believe this information to be at all reliable.

There is an appearance that the DAC information flows are more self-serving for the donor countries, being primarily a compilation of information supplied by the donor countries with little or no verification by anyone. The DAC information does not provide end to end accounting of relief and development fund flows. Until this is available and easily accessible in the public domain there will be abuse of relief and development sector resources. This needs to be fixed as a matter of priority.

DAC Data Accuracy

I have tried several times to reconcile the information available in individual “south” countries project by project with the aggregate information published by the OECD Development Assistance Committee (DAC). I was unable to get the figures even close to agreeing, suggesting that the DAC information which is sourced from the donors is nothing more than self serving information with little tangible reality.

I am not sure why the numbers do not agree. One issue is that the numbers are not subject to any form of external or independent validation. Another is that the methodology of reporting is inadequate.

This is a long standing problem and not yet addressed seriously by anyone.

Some of the DAC reporting seems to be carefully designed to be almost totally useless. For example reporting about Foreign Direct Investment without giving a sector breakdown to facilitate analysis without the oil and gas sector, or without the mining sector is practically worthless ... unless of course the goal is simply to show how big the FDI fund flows are in aggregate.

Reporting in the ODA world

I have been shocked at the accounting and the use of information in the ODA world.

Delayed Accounting is No Accounting

I tried to get some basic financial information within the UN system some years ago, and was told that the information would not be available for about 12 months or so. The explanation was that the accounting information had to go from the field offices to the specialized agency's head office and then it would come to New York.

As CFO for an international company a few years before, my requirement was that every operation around the world would submit their complete monthly accounts two business days after the end of the period closing.

If we did not get the accounts (sent by telex) at the end of 48 hours, we waited a day for telephone contact, and a day later either the company President or myself would be on a plane and arrive in the offending office perhaps 24 hours later. It took just six months for a company that had had no financial controls to embrace the value of analytical financial and operational information. More important, the company's profits improved and staff were highly motivated and quickly made the company's performance as good as anywhere in the industry.

Who wants good accounting?

Does anybody want good accounting? Almost nobody.

Management Accounting for UNDP

Some years ago (around 1992) I made a presentation to the UNDP Administrator's Office about "Management Reporting and Responsibility Accounting" and afterwards was given the feedback that none of the senior staff present had any understanding of the key words or ideas that I used in my presentation: (1) accounts and accounting; (2) responsibility; and, (3) management. Clearly this was a problem, but if you are operating without these things, why would you ever want to install them.

Around that time others were making efforts to improve this situation, and a very strong professional accountant was brought into UNDP on secondment from one of the most prestigious accounting firms in the USA. After just a few weeks his role as Chief Financial Officer was completely eviscerated by making his work purely advisory, and effectively worthless.

Who understands accounting?

The shrimp project in Yemen is an example of how little understanding there is of accounting and the way accounting reports are prepared.

Shrimp Project in Yemen (YAR) Accounting Not Understood

I worked with a World Bank mission in Yemen (YAR) to help assess progress on a shrimp project based in Hodieda. Though the project had been in the construction phase for almost two years the World Bank had not yet seen any project accounts in English. I was told the project had no accounting based on the fact that the World Bank had asked for an audit of the accounts, and an audit had not yet been done.

When I visited the project site I found, in fact, that the project had quite well prepared accounts every month in Arabic with all the detail needed for analysis. Not surprisingly, the Chief Accountant and the accounting staff were Arabic speakers, as were all the project staff, so it was normal that the accounts would be in Arabic.

I am not an Arabic speaker, but the Chief Accountant and I were able to create a spreadsheet template in one afternoon so that his Arabic accounts could easily be understood by English speakers ... and then this information could easily be compared to the project budget. It says something about the World Bank that they would wait almost two years to get such a basic and simple thing done?

The relief and development sector is destined to maintain its low performance status as long as the staff have little understanding of accounting.

One would expect the corrupt and inefficient people in an organization not to want good strong accounting. Without decent accounting these people can go about their corrupt

business without having to bother very much about being caught and being held accountable.

But good accounting is opposed by good and efficient people. Too many of these people have learned somewhere that accounting costs money and has little relevance in the area of relief and development. They seem to think that accounting is only for the corporate for profit sector and to prepare tax returns. They do not seem to “get it” that having accounting and internal control helps to manage resources and get the money used in the best ways possible. Maybe they just do not want the hassle or they do not want to have to face any level of possible criticism.

In the relief and development sector, the end result of decades of operation without very much management accounting is huge inefficiencies in the use of scarce resources. This is a very bad outcome since external money and materials are very in very short supply, and not by any means adequate for the work that is needed.

Knowledge

Knowledge. What knowledge is there? Is everything known that needs to be known. How to stay up to date. How to train new people. How to update knowledge and be in the global knowledge community. How to get knowledge so that it is used in the most valuable way?

Technical knowhow and local knowledge

Knowledge

One of the world's greatest successes of the past century has been not only the creation of knowledge, but also its distribution.

So why is it that when it comes to development, the value of knowledge seems to be missing.

All the knowledge needed to have success exists. The fact that knowledge has not driven success in development is a problem of process rather than a lack of knowledge.

Knowledge is one of the few things that costs almost nothing to replicate. It may take millions of dollars to discover some new bit of knowledge or to carry out some research. But telling people about the discovery costs next to nothing.

Constraining the communication of knowledge

The NORTH is constraining the communication of knowledge by making knowledge into a business rather than a profession. Yes, people should get paid for doing good work, but reasonable and fair pay is different from purely maximized earnings and pay along the lines of recent corporate examples.

Books, even good books, do not cost much to print and distribute. Especially text books that are "required" for courses. But corporate publishing organizations are charging very high prices for these books. This is an evil practice, and tolerated because it is now an expectation that communicating knowledge is expensive, when it could be and should be cheap.

The NORTH's publication industry, instead of being at the forefront of making knowledge more and more easily accessible, is driven by a business model that limits access to the few who have the resources for their expensive books. The publishing industry is doing well in purely financial terms, but as an industry that should be of enormous value in the global economy it is failing terribly.

The Free Public Library

One of the great creations of the last century is the free public library. It is a wonderful idea that makes it possible for ordinary people with limited resources to borrow books and either learn from them or enjoy them or both. It was an amazing vision for Andrew Carnegie of steel industry fame to endow free public libraries at the end of the 19th century, and help ordinary people gain any sort of knowledge that existed in print.

Indigenous knowledge

What people in the SOUTH know about their environment and their communities is very valuable. Far too little of this knowledge has been mobilized to improve the performance of development.

Most indigenous knowledge does not exist in forms that are easily accessed by the academic community in the NORTH and others who only use books and other systems for documented knowledge.

It is a long time since I realized that there was a lot to know. But more important I

realized that because I did not know it, that did not mean that it was not known

The SOUTH's community knowledge is not at all well documented. Yet this is the information that people in every community in the world, and the SOUTH particularly live with every day and know very well. The experts from the NORTH know almost nothing of community knowledge in the SOUTH, and yet do all the “planning” for these communities and allocate the resources. The feedback to get community knowledge into the planning processes and the processes to allocate resources virtually do not exist.

It is no wonder that development has not succeeded when the critical information and knowledge about communities is excluded from the processes.

Intellectual property

One of the problems is that the corporate NORTH has taken to making intellectual property more and more like other property. This should not be a problem, but will be. Almost certainly the ideas of intellectual property are going to be used to increase the wealth owned and controlled by the NORTH at the expense of the rightful owners of the intellectual property or knowledge

Language

Good development is going to have an impact on people who maybe do not read or write. They probably do not speak English or French or Spanish or Russian. But they have to understand what is going on and what the advantages are going to be and what actions they can engage in to help. The thinking had better be clear so that it translates into other languages safely. My personal experience with this has made a big impression on me.

My company prepared a fisheries development plan for the FAO. We wrote the report in English. It was forwarded to the government of the country in question (which used English as its international language). They summarized the report in Arabic so that it could have wider circulation which was a good idea, and I got a copy of this Arabic summary. I had it translated back into English. To my horror the translators, who knew nothing about the technical nature of fisheries, and especially of fisheries population dynamics, had translated and summarized the report in a way that concluded that every fish in the sea could be fished and the fishery would be “sustainable”. This made absolute nonsense of the conclusions of our work and guaranteed that any decisions to do work done based on their summary would be an economic failure.

The development arena is populated by people from many cultures, many backgrounds and with many different types of training. It is easy for professional sophistication to be misunderstood. Ideas need to be simple and ideas need to be sound. But simplification is not accomplished by taking out important elements. It is achieved by making basic changes in the process so that the various steps are simple and the various steps are relevant.

Knowledge is foundation for maximising potential

“Knowledge is power” was written a long time ago, but is still as valid as ever. .

Knowledge is abundant in both the NORTH and the SOUTH. But there is a different set of knowledge in the NORTH and in the SOUTH. Knowledge in the SOUTH is the critical resource for success in community in the SOUTH. Knowledge in the NORTH is more connected with technology and ways to solve technical problems.

Accounting and accountability

The issue of accounting and accountability has been on my agenda for a long time. I sent the following

e-message about the Official Development Assistance (ODA) community makes almost no use of accounting as a part of its management toolbox to a list in 2000

*Essential data for development analysis - follow up
2000/11/28*

Dear Dr. David Newman and forum participants

In response to our posting on essential data for development analysis Dr. David Newman (d.r.newman@qub.ac.uk) replied:

Profitinafrica@aol.com wrote:

>>>> The Official Development Assistance (ODA) community makes almost no use of accounting as a part of its management toolbox. >>>>

That is clearly not true. Since before the days of Little and Mirlees, it is development economists who have led the development of the field of social cost-benefit analysis. It is development economists who first drew attention to externalities, ignored in the standard project financial accounting, from effects of exchange control on exchange rates, to unpaid work done by women.

In fact, if anything, they can be criticized for trying to reduce all evaluation to a single shadow \$ figure, rather than keeping separate the different dimensions on which one might wish to evaluate a project.

Now that currencies are becoming figures in a computer, it is even possible to maintain separate non exchangeable denominations for commercial wealth, social wealth and environmental wealth, as suggested in Geoff Vincent's article in Peter Lloyd's book, "Groupware in the 21st century" (London: Adamantine Press, 1994).

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I appreciate this response to my grumble about the lack of essential data for development analysis..... and my focus on the lack of accounting information. I agree with Dr. Newman that there is no lack of academic capacity to do quality analysis. I agree that academic economists have done a good job at expanding the value of numerical analysis beyond the simple "single number" focus of beencounter accountants.

But my concern is a far simpler issue. The official development assistance (ODA) community has a very low opinion of the value of and importance of good basic accounting procedures and practices keeping books of account filing vouchers and records preparing reports ... etc. As a result ODA institutions have very bad processes for accounting and the reports generally produced have very low management information value. Dr. Newman has observed that development economists have led the development of socio-economic cost-benefit analysis etc but the management of resources in development has nevertheless been a horrid disaster with development progress tiny compared with what could have been and should have been.

Government and ODA accounting almost everywhere in the world still uses the cash basis system that has not been significantly improved since the 19th century ... and is

virtually useless as a basis for useful management and performance information as well as being weak for control of organizational assets and liabilities. My concern is that Government and ODA institutions just do not have good accounts and do not recognize that they do not have good accounts. Additional concerns are:

1..... that to the extent that good accounts are available they are difficult to access and use for analysis.

2..... that it is very difficult to get consistent time series accounting information about government and ODA operations.

3..... that it is very difficult if not impossible to get cost accounting information for longitudinal (time) comparison and geographical (spatial) comparison.

Economists have learned to do fancy statistics on very bad basic data. Accounting is not about statistics and probability accounts should be factual, accurate and capable of easy validation (audit) and everything should reconcile in an appropriate way. None of this needs statistical analysis, just simple adding and subtracting within a formalized framework.

An opportunity presents itself at this time is to make accounting a strong foundation for analysis of government and development performance. The basic principles of capital and expense (profit and loss / recurrent) and the idea of balance sheet accounts and accruals are already well established. The accounting processes used to record data are well understood keeping the books entering the journals preparing the vouchers and so on. But the processes to prepare reports are weak mainly because of the manual history and manual practices.

Accounting can be modernized very quickly using modern ICT using a well designed relational database environment and the web/Internet environment. SQL with a logical data design is very powerful and the accounting data can be used as a basis for a lot of knowledge about development performance.

It would be very valuable to have reliable and auditable accounts that show how much official development assistance has been used year by year in each country and to see what results were achieved as a result of this ODA support and to have the ability to "drill down" more and more to the individual components and see costs and related results. This sort of analytical work has become routine in the corporate world and has been responsible for some impressive improvements in value chain performance. It should be possible for development resources to be managed with some of the same analytical power.

But the fact is, at the moment, the ODA community does not or can not or will not do even basic bookkeeping and analytical accounting.

This is a serious observation and I do not make these remarks lightly.

Nothing I am saying detracts from the importance and value of good analysis using the tools of development economics what I am saying is simply that good accounting and financial data gives good economists something that is worth analyzing. I argue against using economics and economists to do the work that accounting and accountants should be doing.

With regards

T. Peter Burgess

Only a few are benefitting

2000/11/18

Yohannes Damtew raises an important issue. The development model that has been used by the World Bank / IMF, by the UN system, by bilateral donors and multilateral institutions and has been welcomed by governments of developing countries is one that sustains only a tiny proportion of the economy of the countries concerned most of the population knows nothing of what has happened in the ODA (official development assistance) arena most of the population is not participating in the development dialog and development progress.

I am a corporate accountant / financial manager before I became involved with development consultancy. The allocation of resources to development priorities has rarely been done with a view to getting the most in terms of development performance, but has always been a result of some more tangible agenda. The phrase "We don't want the project we just want the cars" sums up the rather inappropriate decision making characteristic of resource allocation in development.

The good news is that transparency is coming. Our own organization is not interested in what big ideas people have for the future, we want to understand what simple small success is already going on and we want to use that as the basis for allocating resources and getting bigger success. Our position is that there are thousands and thousands of people who are doing good work with minimum resources and will do better and bigger with just a modest amount of financial and technical support.

The cost of conferences is substantial. People attending the conferences get a lot of personal satisfaction from them but in terms of development resource allocation they ought not to be a priority. A conference that leads to development action may have great value but if the conference merely results in a set of filed position papers the value is minimal. Where the conference reiterates positions that are already well known there is cost but not value. Corporate style of financial analysis applied in development would very quickly change the priorities of what is done in development. All of this is very sad since the failure of development has ended up causing incredible suffering in development the bottom line is expressed in mortality figures.

Modern communications technology is very powerful, but sadly only available to very very few. Yohannes talked about 99% of health workers have no access to this modern communications capability but it is now 1% and with a good allocation of development resources it can be increased to maybe 5% and later something better. And then there is the question of content. The luxury of discussion is not something people faced with crisis have time for so the content has to be of real value. Our view is that getting more SOUTH view into the development discussion is something of importance and we are encouraging that. We also aim to use knowledge from the SOUTH as a part of our program for fund raising and part of our program to make what we are doing very transparent.

As some of the participants will know one element in our agenda for HIV-AIDS relates to safe injections clean needles the auto-disable technology. Nobody should ever be infected by a dirty needle. But we see other priorities as well in the care of PLWHA (people living with HIV-AIDS) in support for groups providing help to AIDS orphans in helping communities where AIDS has ravaged the production age population in helping young people handle sexuality in this dangerous new era.

There is work to be done. Resources must be used to the best possible effect. Everything in development that costs money should be subject to financial scrutiny and the money

*allocated in the very best possible way to yield development results.
Thank you*

AFRO-NETS> Will US AIDS cash make a difference? (2)

6/3/2003 5:45:35 PM Eastern Daylight Time

Profitinafrica@aol.com

afro-nets@healthnet.org

Will US AIDS cash make a difference? (2)

*-----
Dear Colleagues*

Will US AIDS cash make a difference? Absolutely yes. It is difficult to have US\$ 15 billion and not make a difference.

The world now knows that President Bush has followed up on his State of the Union statement early in the year about HIV-AIDS.

But that is not the same, of course, as the challenge of actually getting the funds mobilized so as to make a difference in the progression of the health and HIV-AIDS crisis around the world.

We are still faced with the problem of taking the recently passed US legislation and converting it into disbursement. I hope we will see an ongoing accounting of how much of this famous US\$ 15 billion actually gets disbursed, whether it is in the NORTH or the SOUTH. There is work to be done around the appropriations systems of the US government which are different from the talk about new legislation that has been going on recently.

We are still faced with the ongoing problem of making best use of available funds. I have not yet seen any compelling evidence, let alone accounting, that suggests that we are making best use of available funds. In fact, I am more of the view that we are not even making good use of a lot of the funds that are available. Far too large a proportion of the funds cycle around the NORTH and never get to do very much on the ground in the SOUTH. I still do not see any meaningful numerical analysis of this problem, but it is obvious that it is huge.

And we are still faced with some unfortunate linkages between this "new" funding and some of the funding that is existing. The "rules" about use of this new money may well have a negative impact on the old funding..... so there will be some program disruption. How much remains to be seen.

I am pleased that there is some substantial money now that has passed Congress. Now the challenge is to get it mobilized..... and then put into worthwhile activities.... and I would like to see some half decent accounting and accountability so that there is a fighting chance of seeing how valuable this funding really has been..... or maybe even, how badly the funds get used.

I will also add that because the money is being discussed in the billions, that a lot of "lobbying" and support for the programs is going to come from powerful quarters in both the SOUTH and the NORTH. Getting access to use this money is going to be a priority..... while using this money to have the maximum impact on the progression of health and HIV-AIDS crisis may well become a secondary issue

Sincerely

Peter Burgess

Good people are writing

A lot of good people are writing informative articles about the SOUTH and the problems. Thoughtful articles are appearing in the African press and are being read widely because of the Internet and e-lists. This writing puts the blame for failed development on governments and donors, especially the Bretton Woods institutions.

I think the writing is better now than 20 years ago. Maybe it is easier to write well with word processors and the information of the Internet. Maybe it is because the lessons learned are more complete. 20 years ago the Colonial legacy had a bigger role in the writing, and the idea that government could solve economic problems was still in vogue. So I probably like what is being written now better than what we being written before, and agree with it more.

But in one respect the writing now and 20 years ago still has one common characteristic. The writing points a finger and identifies blame. But this is only a first step. It really does not do much good until there are possible solutions. For success, economic behavior has to change. The solution dimension is still missing. There is still a big void when it comes to actually getting to grips with the root causes of failed development.

Some people argue that it is a big step forward to be talking about the problems, and maybe there is some truth in this. But it is a dangerous idea in the official development assistance community. Talk is easy. Talk is cheap. And talk does not get the job done.

The need is to identify solutions and talk about how these solutions are going to be implemented and the needed resources are going to be mobilized.

Facts and fiction

Maybe spin has always been the way leaders conned the people. Certainly propaganda has been talked about since my childhood, and indeed my parents and grandparents talked about propaganda. But it was never about our government doing it. It was always some foreign power that did “propaganda”

But now it is my government that is alleged to be involved in the “marketing” of ideas so that big decisions could be made with the “support” of the people.

Of course “my government” is a difficult concept. I am British born and educated and have lived in the US for almost all of my adult life. But at this time in history both governments seem to have problems of fact and fiction and the spinning and propagandizing of background for decision making.

I do not have a high comfort level with the way in which people with “name” recognition get used to propagate “spin”. I find it disconcerting, to say the least. Early in June 2003, Bob Geldof is reported to have said that George W Bush is the best US President for Africa since John F Kennedy. He said this in connection with Bush's announcement of a massive commitment of \$15bn over five years to fight HIV/Aids globally. It also got reported that Bob Geldof pointed out that this is more money than Bill Clinton's rhetoric on Africa ever managed to produce.

Thoughtful people are questioning both the reality of the announcement and the multiple conditions that are linked to the funding. Does this really mark a break with the past? Does this represent new hope for Africa or does it just add one to the long string of failed promises? We shall see. I do not expect much of the money promised by President Bush to get used for economic value adding works in Africa any time soon.

The HIV-AIDS health pandemic

There is a lot of writing about the HIV-AIDS health pandemic. There is no shortage of writing about

the crisis. For example this:

Any overview of the immense challenges facing Africa must put the HIV/Aids pandemic high on the list. Almost 30 million people living with HIV and two and half million dying from Aids each year in Africa make this a defining moment for the continent.

The Aids crisis is leaving hundreds of thousands of households headed by children as young as nine or 10 years old. Whole villages now have only the young and the aged to look out for each other's survival. And this corset-shaped demography is damaging the development prospects of most of the African continent. Deaths in Africa have now become so frequent that businesses have restricted staff to attending only the funerals of their closest family members. Orphaned children drop out of school because they cannot afford to pay the fees, and they are crowding women out of the informal economy.

The United Nations estimates that the pandemic is slowing economic growth rates by between 1 per cent and 3 per cent per year. For economies that are, for the most part, barely outpacing their population growth rates, this is a debilitating setback for their development prospects. The full effects of HIV/Aids are still spreading, and are yet to be quantified by development agencies and African governments trying to reverse the pandemic.

Over the past several years this sort of writing has appeared in almost every newspaper around the world at least once, and in many publications several times. But now the problem is communicated, exactly what is the next step.

Kofi Annan, the Secretary General of the United Nations put himself on the line, and argued for a global fund to address the pandemic. His proposal called for \$10 billion a year to be put into the fund so that it could support health and HIV-AIDS initiatives around the world. And to his credit, a global fund has been established with broadly the mandate that the Secretary General was looking for.

I would like to predict that the Global Fund for AIDS, tuberculosis and malaria (GFATM) is going to be a roaring success. But I cannot. The GFATM has been set up in quickly and it has adopted many of the practices that constrain success in development, mainly because it has drawn its core staff from the ODA establishment.

And they have been funded not at the \$10 billion level called for by the UN Secretary General, but at a much reduced level of around \$3 billion in the first year, and likely less in the second year.

The United States, which would be expected to have a substantial role in the funding is looking to reduce its commitment to the GFATM, and as this happens other countries scale back too. I do not anticipate ODA support for the GFATM to come any where near the amount called for by the SG and the experts who computed the cost of needed programs.

As one writer put it in the summer of 2003

On the face of it, Bush's additional \$3bn a year is an impressive sum. While still some billions short of the UN's estimate of \$7bn a year needed to tackle the pandemic, the Bush plan will buy life-extending drugs and is intended to provide humane care to 10 million people.

But this does not talk about the need for drugs and therapy and human care for around 40 million people. It just talks about 10 million people. And it assumes that Bush's words will become reality. Don't hold your breath.

But the causes of the spread of the pandemic are, like its consequences, multi-dimensional. Tackling the disease requires an approach that encompasses the full range of development policies.

HIV/Aids and other public health crises, such as malaria and TB, thrive in families and communities marred by poverty, malnutrition, economic migration and ignorance. The accelerators of disease are found in Africa's collapsing health and education infrastructures.

Donors share a responsibility for this. Millions of Africans were denied access to primary healthcare and education when the International Monetary Fund and World Bank forced their governments to charge for these basic services as part of the conditions attached to aid and debt relief. We are faced with a flawed practice of dictating from the top down how African governments should spend aid money. Bush's plan focuses narrowly on the provision of anti-Aids drugs and health education programmes rather than on a broader approach that would enable more children to attend school and remove some of the obstacles to Africa's development and poverty reduction plans. Longer-term solutions behind Aids and other crises in Africa are only going to be forthcoming when donors respond by supporting the priorities identified by progressive African governments. They must mobilise their resources behind anti-Aids and poverty reduction plans designed by Africans themselves. So far, the G8 has failed to pursue such a collaborative and mature approach.

This weekend Bush will be meeting other G8 leaders and a handful of African governments in Evian. He will clearly be pointing to the large sums of money behind his anti-Aids drive and challenging European Union countries and Japan to match it. The G8 leaders have collectively failed to understand that it's not just the amount of money that is important but the way it is given. Both aid and debt relief often come with damaging anti-poor conditions attached, such as the IMF's insistence on privatisation. The few African leaders who have been invited to the Evian summit will be calling for a different approach. Their proposal, called a New Partnership for Africa, is based on the recognition that the era of development policies designed in Western capitals and then imposed on supplicant governments has too frequently failed the poor.

One of the African proposals is for a new approach to debt. The African leaders want the amount of debt relief to be determined by the finance necessary to achieve their poverty-reduction plans. Their calls have been echoed by citizens in all the G8 countries. Five years ago, a demonstration by 70,000 activists at the Birmingham G8 meeting put debt and development on the agenda of the summits of the world's most powerful heads of government.

Those of us who gathered for the peaceful protest in Birmingham were moved by what we saw as an issue of social justice. We argued that it is wrong that those with the least should be made to repay their debts to those who already have the most. To us, it seemed absurd that the poorest of the poor should sacrifice their own and their children's life chances in order to maintain a debt repayment regime that none of them had any voice or control in contracting.

The Jubilee 2000 Campaign mobilised millions of people around the world and forced the G8 leaders to make a dramatic response to the debt crisis. Yet for debt campaigners, the G8 promise of an end to the injustice of unpayable Third World debts remains unfulfilled. The G8 meeting in Cologne in 1999 promised \$111bn of debt relief spread over 40 years. The member countries are now committing themselves to providing about a third of that amount.

The limited debt relief that has trickled through has led to higher spending in Africa on health, education and investment in agriculture. But African governments are still left short of the finance needed to meet the internationally agreed Millennium Development Goal to halve poverty by 2015.

The scandal is that the money required to write off the debts of the whole of sub-Saharan Africa is, in global terms, barely significant. It has been costed at little over \$6.4bn spread over five years. Compare that with the \$350bn that rich countries subsidise their farmers with every year.

And the irony is that in the week before Bush's announcement on the Aids bill, the US Senate voted for deeper debt reduction that would go some way to restore the capacity of African governments to finance their own poverty reduction strategies. But the Bush team in the US Treasury effectively vetoed it. So Bush's announcement on Aids is not a watershed. Like most of the G8's approach to Africa, it is critically flawed by its belief that the donors hold the prerogative on development policy.

A radical and successful approach to Africa needs donors to co-ordinate their resources behind African-owned and agreed poverty reduction plans. The world's richest countries need to break with failed approaches of the past by supporting African strategies designed with the widest possible consensus of the people who will be implementing those plans, strategies that have been influenced by the poor, who are the intended beneficiaries.

This week will be the third time the G8 has invited progressive African governments to meet at the rich man's table. This time they must not only be heard; they must also be heeded.

Julian Filochowski is director of the aid agency Cafod

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What on earth to do with the AIDS crisis

Advocacy

In Another Break With Past, Kenyans See Hope on AIDS - Moi's Successor Promotes a 'Total War'

By Emily Wax

Washington Post Foreign Service

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NAIROBI -- The preacher's message to his 3,000-member congregation inside the Kenyan Local Believers Evangelical Church on a rainy Sunday was a simple one: Condoms don't protect against AIDS.

The crowd responded with a ringing "Eh," meaning yes, nodding as they clapped and rocked to his confident voice and his message.

"In fact, if you have sex using a condom 10 times, you will get 10 percent of the AIDS each time," thundered the pastor, Solomon Ndoria, wearing a mustard-colored three-piece suit and pumping his hands in the air. "Then you will actually have AIDS. So just abstain from sex."

One day later, Lucy Wanjiku's message to the man in her dark metal shack, standing beside her thin foam mattress, was a simple one, too. But she mumbled it.

She needed cash. She had to feed her 4-year-old son. So the 30-year-old woman who usually sold African crafts was selling her body.

Wanjiku, one of the many members of Ndoria's church who live in Kangemi, a Nairobi slum, had listened to her pastor's words. But she had also heard discussions at the local health clinic and seen posters downtown, and she wanted her client to use a condom. He refused, slapping her face. Then in the dark must of her room, on her cot, with her

son crying nearby, they had sex, she said. Afterward, she had enough money for pounded maize. Now she has the virus that causes AIDS. She said she believes she will die soon.

The preacher and the prostitute exemplify the emotional debate over AIDS in Africa and its life-and-death consequences. As of the end of last year, an estimated 29.4 million people in sub-Saharan Africa had AIDS or HIV, according to U.N. estimates. About 3.5 million were infected during 2002, and an estimated 2.4 million people died of AIDS complications that year.

In Kenya, a nation of 31 million, 15 percent of adults have AIDS or HIV, U.N. statistics indicate. An estimated 500 to 700 Kenyans will die each day this year from AIDS-related causes. Yet after two decades of outside assistance and internal debate, Kenya, like most of its neighbors, has yet to find an effective strategy for preventing the disease or for treating those who contract it. And AIDS continues to kill entire villages, to wipe out generations.

When the country's first free and fair elections in December brought an end to 24 years of autocratic rule by Daniel arap Moi, many hailed it as a decisive moment not only in Kenya's political history but in its fight against AIDS. The new president, Mwai Kibaki, proclaimed a "total war on AIDS." He has committed his government to help pay for the treatment of 40,000 patients and abandoned Moi's self-described "shy" policy about condom use, taking a stand supporting condoms in addition to abstinence until marriage.

After Kibaki's election, more than 500,000 condoms were distributed in western Kenya, where HIV infection is most prevalent. Kibaki's government ordered 50 million condoms from German prophylactic maker Condomi, and

Kibaki said he will now implement the country's dormant AIDS prevention strategy, which long included plans to distribute condoms in hair salons, banks, restaurants and bars in addition to health facilities. Kibaki said the government will use a \$100 million "soft" loan from the World Bank to pay for 300 million condoms over a four-year period.

Kibaki maintains that if the AIDS problem is not tackled, none of his government's other programs will matter. "We must all come out and fight and eradicate this disease, because there won't be any point of improving the welfare of people who are going to die," he said last month. "I would want us to look back and say, 'That is the disease that used to kill us.'"

Anti-AIDS crusaders say they hope Kibaki continues to follow a path that diverges sharply from the practice of many African governments to keep silent about condom use and AIDS. Ghana and Rwanda, largely Christian nations, are still unclear about prevention policies. In contrast, Botswana, with its tiny population of 1.6 million and its massive infection rate of 36 percent, has been aggressive both in rhetoric and treatment. The most widely praised example in Africa is Kenya's neighbor, Uganda, where the policies of President Yoweri Museveni are credited with helping bring HIV infection rates down from 30 percent to 5 percent. Museveni set up aggressive and candid campaigns that included condom distribution and a national plan to attract aid donors to the country of 24.7 million.

"I think saving these lives is feasible in Kenya -- right now," said Christa Cepuch, a Kenya-based pharmacist with the French medical aid group Doctors Without Borders. "I think with political will anything can happen. If Kibaki sat down at his desk and made this happen, it would be a different country in 10 years. Uganda did it and now Kenya can, too."

In Africa's impoverished countries, the debate over whether to tackle AIDS by trying to prevent it, through abstinence or condom use, or by treating it with expensive antiretroviral drugs, or both, is a complicated tangle that involves every level of society -- preachers, prostitutes and their clients, farmers, orphans, drug companies and politicians.

As AIDS drugs decrease in price and advocates around the globe lobby for more funding for their purchase, some AIDS experts say they are seeing the first signs that treatment might become affordable for poor countries. But at the moment, they say, prevention is the more pressing issue.

Few Kenyans take issue with the idea that abstinence from sex is an almost foolproof way to avoid AIDS. But in a country where more than half the people live on less than a dollar a day, it's not always that simple.

Because rural jobs are scarce, many Kenyans migrate to the cities for work, leaving their families behind in small villages. When spouses are separated for long periods, sexual relations outside marriage become common. Or when there are no jobs, it is not uncommon for a woman to sell her body -- perhaps just a few times in a lifetime -- to feed her family for a few days.

"Let's not be so naive and so bashful as to think people are not going to have sex," said Wilson Ndgu, an energetic Kenyan doctor who distributes condoms at bars and in health clinics around the slums of Nairobi. "People are having sex, so we should be promoting condoms as a way to save lives.

That is the ethical and, frankly, the most Christian response."

Most Kenyans -- 78 percent -- practice Christianity, and most Christian denominations in Africa oppose condoms, some on the grounds that they promote sex outside marriage, others because they are a form of birth control. Only a few socially liberal church leaders have come out in favor of condom use.

"To be honest, Kibaki is in for some real serious work here. The scale of the epidemic and complete lack of response to it has created a nation where a lot of people feel they are helpless," said Chris Ouma, a Kenyan who is national coordinator for the Action AIDS/HIV program. "There is a lot of education to do and a lot of working with the churches. I've never seen such prominent leaders pray for people's lives and then tell people not to use condoms."

The All Africa Conference of Churches, with 168 members from all branches of Christianity, is torn on the issue of promoting condom use and backs a plan that tells worshipers to wait until marriage to have sex. But Kibaki is now asking church leaders to spend the first 15 minutes of every Sunday sermon preaching the policy of ABC. ABC stands for "Abstain, Be faithful or use Condoms," the approach successfully adopted in Uganda and copied by other countries. President Bush, who has pledged \$15 billion to help pay for drugs in Africa and the Caribbean, has made ABC official U.S. policy. The U.S. Senate approved a \$15 billion bill Friday that earmarks \$3 billion a year for the next five years for programs in Africa that include education about condom use and promotion of faithfulness and abstinence.

Still, some church leaders refuse to support ABC, saying it goes too far. "This issue may be tougher than even finding affordable drugs for AIDS patients," said Melaku Kifle, outgoing general secretary of the All Africa Conference of Churches. "And Kibaki is trying to take a stand by pushing the ABC policy. What will happen? No one really knows. Kibaki's leadership in the coming years will be critical."

As times change, there are signs that attitudes may be changing, too. On the television soap opera "Saints and Sinners," the characters talk about AIDS. In newspapers and

politicians and profit maximizers do not. There is nothing of engineering substance that has been supported by political and "profit" leadership in the United States in the past twenty or so years that has in any way helped to ensure that an event like this blackout could not happen. Sad. And very dangerous.

Sincerely

Peter Burgess

ATCnet in New York

Specialists in International Development