

Reflections from a Recent Aid Conference

By Janine R. Wedel

Since 1989 the West has allocated about \$35 billion to help ease Central and Eastern Europe's transition to democracy and a market economy. With the end of the Cold War, tens of billions more were promised to Russia and other former Soviet republics. Yet assistance projects sometimes look different on paper than in the field: the view from Washington, Brussels, or Bonn can be very different than the view from Budapest or Bratislava.

Because discussion about aid to the region has been based more on armchair analysis than on empirical investigation, In April 1995 I initiated and helped organize a problem-focused working conference that brought Western policymakers and practitioners together with recipient aid coordination officials. (Participants included U.S. congressional staff, aid contractors, and social anthropologists; representatives of the U.S. State Department, USAID, and the U.S. General Accounting Office; participants in the European Union's PHARE program; German aid analysts; and aid coordination officials and analysts from Croatia, the Czech Republic, Hungary, Poland, and Slovakia.) The goals of the conference, which focused on grant aid provided by the major donors, were summarized in its title: "Western Aid to Central and Eastern Europe—What We Are Doing Right, What We Are Doing Wrong, How we can do it Better." It was hosted by John Lampe, Director of the East European Program of the Woodrow Wilson International Center for Scholars, and cosponsored by the Friedrich Ebert Foundation.

The conference brought about 40 people together at an opportune moment. Aid to Central and Eastern Europe and to the states of the former Soviet Union is under review in Washington. Arguments have been made for conditioning Russian aid on actions in Chechnya and Iran. Congressional staff representatives warned that U.S. aid to Russia would likely be cut and that the U.S. Congress is considering not whether or not to reduce foreign aid, but how much to reduce it.

The discussions focused primarily on privatization aid and aid to private and nongovernmental sectors, on structuring and implementation of aid projects, and on the degree to which these projects have been integrated into the local political and cultural environment. Nearly all participants agreed that present administrative and evaluation procedures tend to discourage risk-taking, although risk-taking and flexibility are important criteria of successful aid programs. Monitoring methods are often misguided, partly because they try to quantify the results (number of workshops held, number of participants) instead of assessing the quality of the workshops (whether the purpose makes sense, whether the purpose was fulfilled, whether the participants could make use of the material presented).

By discussing where to target limited resources, most participants agreed that training and educating the next generation of leaders in an entire range of skills, including vocational education, may have the highest long-term payoff. Local governments and institutions should receive a bigger share of the aid, as they are often overlooked in the assistance efforts. The final conclusion of the conference was that: for aid to be effective, recipients should be actively involved in designing, implementing, and evaluating the relevant projects, so as to meaningfully "own" them.

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