
An Assessment of the Accra Agenda for Action from a Civil Society Perspective

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Civil society voices for
Better Aid

In advance of the Third High Level Forum on Aid Effectiveness in Accra, a broad coalition of over 380 civil society organizations (CSOs) from 80 countries put forward 16 recommendations. The intent was to voice CSO critiques and concerns about the Paris Declaration on Aid Effectiveness and its implementation and to call for a more inclusive and sustainable development cooperation framework. The purpose of this paper is to assess the extent to which these 16 recommendations were reflected in the Accra Agenda for Action (AAA), as well as to begin to look at the challenges ahead. The intention is for this assessment to serve as a point of reference for CSOs and other development actors committed to engagement and continued efforts to promote development effectiveness.

Section 1: Introduction

The current systemic crises — financial, economic, food, climate and energy — have been used by many donors as an excuse to disengage from their official development assistance (ODA) commitments to developing countries. During the last year, governments around the world have promised US\$ 18 trillion to bail out banks and financial institutions from the crisis, compared to the US\$ 2 trillion that has been given in aid in the last 49 years.

¹ Even before the crisis, donors have collectively and consistently failed to meet their commitment to increase ODA. For example, there is little and diminishing hope to achieve all eight of the United Nation's Millennium Development Goals by 2015, particularly in Africa, as a result of inadequate and unpredictable resources being dedicated to key development aims such as education, maternal health and the environment. Also, other internationally-agreed commitments, for example on gender equality, are being severely undermined by lack of funding. With ODA now notably and unacceptably reduced, it is critical that each dollar, Euro or pound allocated to development has greater impact and is more effective.

However, insufficient aid effectiveness has so far been the main result of insufficient amounts of aid. This scenario has occurred in spite of international attempts to ensure otherwise. Aid can be a critical component of social, cultural and economic development and is an integral element for eradicating poverty and inequality.

Still aid is a comparatively small resource for financing for development, and its impact is highly dependent on other policies and trends on trade, financial markets, debt and global governance structures.. Tax evasion and capital flight exert their own costs, with estimates suggesting that developing countries annually lose between US\$ 860 billion to one trillion dollars.²

In 2005 representatives of over 100 country governments agreed to work collectively and individually towards specific aid effectiveness targets as part of signing the Paris Declaration on Aid Effectiveness..

1 What is the Paris Declaration on Aid Effectiveness?

The Paris Declaration on Aid Effectiveness (PD), which was agreed to in March 2005, establishes global commitments for more effective, scaled up aid to be met by 2010 by countries with development partners. The PD outlines five principles which should shape aid delivery:

OWNERSHIP: Developing countries will exercise effective leadership over their development policies and strategies, and will coordinate development actions;

ALIGNMENT: Donor countries will base their overall support on developing countries' national development strategies, institutions, and procedures;

HARMONIZATION: Donor countries will work together so that their actions are more harmonized, transparent, and collectively effective;

MANAGING FOR RESULTS: All countries will manage resources and improve decision-making for results; and,

MUTUAL ACCOUNTABILITY: Donor and developing countries pledge that they will be mutually accountable for development results.

Signatories include 35 donor countries and agencies, 26 multilateral agencies and 56 countries that receive aid. The PD specifies indicators, timetables and targets for actions by governments and has an evolving agenda for implementation and monitoring of progress.

However, the declaration itself has inherent short-comings, both in terms of process and outcomes. The declaration has been limited largely to aid delivery and was created without the involvement of civil society organizations (CSOs).

The year 2008 marked the mid-point evaluation of the Paris Declaration's implementation and the Third High Level Forum on Aid Effectiveness (HLF3), which was held in Accra, Ghana. Better Aid, a civil society advocacy platform, convened more than 800 CSOs in Accra who called on attending governments at the HLF3 meeting for an equal development partnership and substantive changes to the Paris Declaration. The political outcome document of the HLF3, the Accra Agenda for Action (AAA), captures the promises made by governments to make ODA more effective. While the AAA reflects some progress towards meeting the goals advocated for by CSOs and addressing the limitations of the Paris Declaration, it faces its own obstacles to success particularly due to the lack of time-bound commitments and indicators to monitor progress.

This paper seeks to find a way forward by comparing how the 16 recommendations set forth by the Better Aid Platform in advance of the HLF3 in Accra have been integrated into the AAA. The priorities of CSOs, as reflected in these recommendations, have remained consistent: a need to focus on human rights and recognize the centrality of poverty reduction, gender equality, social justice and environmental sustainability; the transition from a narrow focus on aid management and delivery to a more inclusive and outcomes-oriented emphasis on development effectiveness; changes in the aid architecture to increase inclusiveness and legitimacy; correction of the imbalance of power in country relationships (e.g. through mutual accountability, reduction and elimination of tied aid, elimination of donor-imposed policy conditionalities, increased aid predictability and aid transparency); and creation of mechanisms to ensure signatories follow through on commitments.

Since the HLF3 in September 2008, implementation of the AAA has been disappointing and limited, throwing into doubt whether commitments made in the AAA and the Paris Declaration will be achieved by 2010.

What will come after 2010 remains to be decided. What is clear is that these decisions must be based around a new, more inclusive aid architecture and more equitable global governance. This paper is an attempt to begin this discourse.

Section 2: A Post Accra Round-Up

The outcomes of the AAA reflect a mixed performance.

Important advances include the recognition that "gender equality, respect for human rights, and environmental sustainability are cornerstones for achieving enduring impact on the lives and potential of poor women, men and children" (§ 3) and the inclusion of CSOs as

2 What is the Accra Agenda for Action?

The Accra Agenda for Action (AAA) is the policy outcome document of the HLF3 mid-point review of the Paris Declaration of 2 March 2005. The AAA was endorsed in Accra, Ghana, on 4 September 2008 by ministers of developing and donor countries responsible for promoting development and heads of multilateral and bilateral development institutions.¹

full members of the Working Party on Aid Effectiveness (WP-EFF).

The AAA sets out areas of action on the issues of predictability and transparency of aid flows, true ownership by CSOs and parliaments over aid decisions, reliance on the country systems of developing country governments rather than donor systems, and a better and more efficient division of labor among donors.

Yet the AAA fails to put in place time-bound and monitorable commitments and indicators to measure progress on these actions. It also falls short in sufficiently addressing other key areas, such as decent work, policy conditionality, tied aid, mutual accountability and the reform of the aid governance system.

The following section provides an overview of how effectively each of the policy tasks, which Better Aid put forward, has been addressed by the AAA (achieved, partially achieved, not achieved).³ Even where a recommendation has been heeded and incorporated into the language of the AAA, progress on implementation by donor and developing country governments has been less than desirable.

Further policy work by Better Aid and its members is aimed at better tracking the current state of country implementation of the AAA.

	Recommendation	Assessment
1	Recognize the centrality of poverty reduction, gender equality, human rights, social justice and environment.	<i>Partially Achieved</i>
2	End all donor-imposed policy conditionality.	<i>Not Achieved</i>
3	Donors and Southern governments must adhere to the highest standards of openness and transparency.	<i>Partially Achieved</i>
4	Donors should support reforms to make procurement systems more accountable, not more liberalized.	<i>Partially Achieved</i>
5	The AAA must recognize CSOs as development actors in their own right and acknowledge the conditions that enable them to play effective roles in development.	<i>Achieved</i>
6	Create an effective and relevant independent monitoring and evaluation system for the Paris Declaration (PD) and its impact on development outcomes.	<i>Not Achieved</i>
7	Introduce mutually agreed, transparent and binding contracts to govern aid relationships.	<i>Not Achieved</i>
8	Create new multi-stakeholder mechanisms for holding governments and donors to account.	<i>Not Achieved</i>
9	Establish an equitable multilateral governance system for ODA in which to negotiate future agreements on the reform of aid.	<i>Not Achieved</i>
10	Donors must be held to account for commitments they have already made under the PD.	<i>Partially Achieved</i>
11	Commit to giving aid for poverty eradication and the promotion of human rights.	<i>Partially Achieved</i>
12	CSO urge for a stronger expression of commitments to untied aid.	<i>Not Achieved</i>
13	Reform technical assistance to respond to national priorities and build capacity.	<i>Partially Achieved</i>
14	Improve aid allocation to respond to needs.	<i>Partially Achieved</i>
15	New targets to improve multi-year predictability of aid.	<i>Partially Achieved</i>
16	Ensure meaningful participation by CSOs in the Accra HLF.	<i>Partially Achieved</i>

Recommendation 1: Recognize the centrality of poverty reduction, gender equality, human rights, social justice and environment.

Assessment: *Partially Achieved*

- The AAA made a step forward beyond the Paris Declaration in recognizing gender equality, human rights and environmental sustainability as goals that effective aid must support (§ 3 and 13c).⁴
- Yet it still falls short in stating that resources must be committed to fulfill these goals and rights, and does not put forward incentives or any new indicators to track actual impact.
- Beyond mere recognition of these goals, donors must be accountable and take responsibility for their actions, while developing country governments must spare no effort to fulfill their obligations to provide human rights for all individuals living in the country. Any measure taken should also be grounded in a human rights based-approach in order to promote progress and strengthen gender equity, empowerment of poor and marginalised people, local capacity, participation, transparency, leadership and joint responsibility — all of which are consistent with the intentions of the Paris Declaration and the AAA.
- The current crises (i.e. economic, food, climate and energy) and increasing environmental conflicts need to be considered as relevant factors for and obstacles to moving towards development effectiveness.

Recommendation 2: End all donor-imposed policy conditionality.

Assessment: *Not Achieved*

- The AAA does not recognize that policy conditionalities — including benchmarks, triggers, and performance-based allocations — weaken democratic ownership and prevent developing countries from exercising real policy choices (see box 3 below). Policy conditionalities, as distinct from fiduciary responsibility and accountability for aid expenditures, render governments unaccountable to their citizens and parliaments.
- Policy conditionalities, due to the above points, undermine the human right to development (1986),⁵ which also includes the right to self-determination and the right to freely participate and decide on the use of resources.⁶ States have an obligation to enable consultation with communities and CSOs and to promote their participation in decision-making.
- Still, the AAA does go beyond the Paris Declaration by seeming to recognize that conditionalities need to be streamlined in order to reduce their number and the burden they impose on developing countries (§ 25). The AAA also states that conditions should immediately be made public

and best practices (in safeguarding ownership and promoting other PD principles) should be documented and disseminated (§ 25). However, the AAA does not set any targets or timetables for these agendas to be taken forward, leaving donors, such as the World Bank, largely unaccountable to change their current practices.

Recommendation 3: Donors and Southern governments must adhere to the highest standards of openness and transparency.

Assessment: *Partially Achieved*

- Donors have committed in the AAA to openness and transparency and making aid more predictable (§ 24, 25 and 26). The International Aid Transparency Initiative (IATI) — that was launched in Accra by the Netherlands and British governments and which now has 18 donor signatories — has been working to develop a standard to secure these aims.
- The pending question is how high and rigorous a standard can be achieved to ensure delivery on IATI.⁷ At a minimum, the standard must promote the disclosure of information that is comparable, timely, comprehensive and accessible. For it to be effective, signatories must respect its full scope.
- The IATI transparency standards and the results of IATI stakeholder consultations must be fully incorporated into aid effectiveness work being done by the Organisation for Economic Cooperation and Development (OECD), and included in preparations for the next high level forum in 2011. IATI is one of various initiatives that are trying to make aid transparent. It must be properly integrated and aligned into OECD efforts, related government work and existing processes on aid effectiveness.
- In Southern countries, aid transparency can be promoted through access to budgets and information. Southern governments must work with elected representatives and citizens' organizations to set out open and transparent policies, including those that look at how aid is related to domestic resources, spending, monitoring and accountability systems. This dialogue must feed into IATI discussions to ensure donors commit to making the right types of information on aid available in ways that are comparable to national budgets and in due time in order to facilitate the effective engagement of civil society groups.

Recommendation 4: Donors should support reforms to make procurement systems more accountable, not more liberalized.

Assessment: *Partially Achieved*

- CSOs welcome the commitment by donors in the AAA to use country systems, such as government procurement systems rather than their own (§ 15). Still, there is concern that progress on this indicator is focused on developing country procurement systems rather than on how far donors are actually using country systems and untying their own aid.

Furthermore, different donors request the use of different systems and frequently developing countries deal with understanding foreign systems rather than strengthening their own system. Donors should focus their support on assisting developing countries to build robust procurement systems that are appropriate to their contexts and local development needs.

- Current diagnostic tools to assess the quality of procurement systems also tend to be biased towards rewarding systems that allow for international competition, without taking into account the benefits to development by favoring local suppliers. Such a limited approach needs to end.

4 Recognition of CSOs in the AAA

In a step forward, the AAA clearly commits to “broaden country-level policy dialogue on development” through a closer involvement of parliaments, local authorities and CSOs in preparing, implementing and monitoring national development policies and plans (§13a).¹

A key part of the over-arching ownership and accountability dialogue is how the AAA rethinks the role of civil society in the process. Signatories to the AAA have pledged to “deepen our engagement with CSOs as independent development actors in their own right and (ensure)...that CSO contributions to development reach their full potential” (§ 20).

However, this general recognition, which is seen as an achievement, is still partial and could include other social actors such as trade unions and/or social movements.

Recommendation 5: The AAA must recognize CSOs as development actors in their own right and acknowledge the conditions that enable them to play effective roles in development.

Assessment: *Achieved*

- The AAA recognizes the role of CSOs as independent development actors in their own right (see § 20) and commits donors to working with CSOs to provide the enabling conditions to maximize their effectiveness (see box 4). Yet, too frequently CSOs are forced to align their national agendas with an internationally-set list of fundable issue areas. This practice is a ‘thematic conditionality’.
- Much work is required to improve the enabling conditions for CSO development effectiveness. CSOs have urged their respective governments to create legal frameworks and mechanisms which provide for freedom of association, the right to organize and participate in national decision-making processes, and a free and open media. The need to establish and protect such frameworks is particularly acute in countries in which CSO work is increasingly being curtailed and even criminalized. The Open Forum on CSO Development Effectiveness, a CSO-led process, provides a platform for donors and developing country governments to engage with CSOs on these issues.
- CSOs, including women’s organizations, also need predictable, regular and systematic long-term funding not only from donors but also from progressive Southern governments. New funding modalities should be explored to provide this support.
- In addition, CSOs should not be instrumentalized or marginalized in the aid effectiveness agenda and must be given full play to hold donors and governments to account in implementing aid effectiveness principles with the broader goal of achieving development effectiveness. CSO roles in the development effectiveness debate should include creating and expanding the space for aid reform advocacy, strengthening thematic networks and forging regional agendas.

Recommendation 6: Create an effective and relevant independent monitoring and evaluation system for the Paris Declaration and its impact on development outcomes.

Assessment: *Not Achieved*

- There is no recognition of the need for a system to independently monitor and evaluate the Paris Declaration and the AAA at the global, national and local level. Currently, the OECD manages the monitoring process. Without an independent system, the monitoring process is asymmetrical: the donors monitor themselves and the developing countries receiving aid are monitored by the World Bank and others.
- There is also a need to develop an open and participatory process for defining more appropriate indicators and measurements of aid effectiveness. This process should be led by developing countries, including Southern CSOs. Maintaining the current Paris Declaration monitoring system, whose indicators were designed by the donor community and international financial institutions (IFIs), guarantees that there will not be broad ownership of the process.
- While the AAA does not adequately address such monitoring concerns, in a positive step forward, the second phase of the evaluation of the Paris Declaration's implementation will look at its broader impacts on development across more than 20 countries in an attempt to make the process more effective and independent. For this work, existing monitoring and reporting systems on international human rights standards, gender equality, decent work and sustainable development commitments, among others, should be used as a basis for measuring the Paris Declaration's impacts on development outcomes.

Recommendation 7: Introduce mutually agreed, transparent and binding contracts to govern aid relationships

Assessment: *Not Achieved*

- There was little progress on the need to base future aid relationship on transparent and binding agreements, including clear commitments by donors on aid volumes and quality, with sanctions, to be independently monitored.
- The emphasis on accountability, despite the AAA, is still in one direction: developing countries to donors. Donors have not become any more accountable to developing country citizens or governments. Put simply, Southern governments and their citizens want to know that what has been agreed will be delivered.
- There is no recognition that in order to redress the highly unequal power relationships between donors and developing countries, the international community must also address fundamental and democratic reform of IFIs, given the continued influence they have over the policy choices available to developing countries. Asymmetries continue to

exist with few opportunities for southern groups and governments to set the agenda.

Recommendation 8: Create new multi-stakeholder mechanisms for holding governments and donors to account.

Assessment: *Not Achieved*

- The AAA made some small progress by citing that mutual assessment reviews must be in place by 2010 in all countries that have endorsed the Paris Declaration and that developing countries and donors will jointly assess and strengthen existing international accountability mechanisms, and review proposals for improving such mechanisms by the end of 2009 (§24c). So far, however, there has been almost no progress on this area, and work has focused on the more technical aspects of the accountability agenda.
- The AAA also maintains a narrow view of accountability, and does not sufficiently address the need to broaden accountability mechanisms to citizens and parliaments, and move beyond donors and developing country governments.
- The AAA does not recognize the need to establish appropriate international mechanisms for genuine mutual country-to-country accountability, rather than just enhancing the current donor accountability frameworks. Discussions on taking forward this commitment so far have not addressed the need for new accountability arrangements, which could build on and strengthen existing international and regional human rights mechanisms of accountability and related global commitments, such as the UN Convention against Corruption (UNCAC).⁸

Recommendation 9: Establish an equitable multilateral governance system for ODA in which to negotiate future agreements on the reform of aid.

Assessment: *Not Achieved*

- There is no recognition in the AAA that the Paris Declaration's governance structures give donors de facto control of the agenda and provide few resources and practical space for developing countries to play a determining role.
- Though the AAA does give a nod to the UN Development Cooperation Forum and its contribution to "the international dialogue and to mutual accountability on aid issues," it fails to assert the need to establish a more equitable, transparent and inclusive aid governance system encompassing DAC donors, non-DAC donors, developing country governments and civil society representatives.⁹
- The AAA also does not recognize the importance of linking the aid effectiveness agenda and the broader UN agenda on Financing for Development, which calls on all development actors to search for new approaches to fund

equitable development to eliminate poverty, promote sustained economic growth and ensure sustainable development.

- Nor does the AAA consider aligning the ODA governance system with other internationally-agreed and existing mechanisms of oversight. For example, recommendations from human rights treaty bodies and observations from country reports, or even the reports by the UN Human Rights Council or Special Rapporteurs, could be utilized for improving ODA governance.¹⁰

Recommendation 10: Donors must be held to account for commitments they have already made under the PD.

Assessment: *Partially Achieved*

- The AAA states that while progress has been made in implementing the Paris Declaration, this needs to be accelerated if the 2010 commitments are to be met (§6). More specifically the AAA says donors need to do more to promote ownership (§13), use country systems (§15), reduce costly fragmentation of aid (§17), untie aid (§18) and improve the predictability of aid (§26). It also reaffirms the commitment to meet the 2010 PD targets (§11).
- However, as noted previously, the AAA includes relatively few time-bound commitments and, according to monitoring by the OECD, donors and governments have so far done little to put in place strategies for increasing the pace of implementing the Paris and Accra commitments.

Recommendation 11: Commit to giving aid for poverty eradication and the promotion of human rights.

Assessment: *Partially Achieved*

- The AAA recognizes that “Developing countries and donors will ensure that their respective development policies and programs are designed and implemented in ways consistent with their agreed international commitments on gender equality, human rights, disability and environmental sustainability” (§13c). Better Aid had, however, called for the inclusion of decent work as one of the critical parameters by which development effectiveness should be assessed. Regrettably, the AAA fails to incorporate this important dimension in the relevant sections of the document’s text (§ 3 and 13).¹¹
- Furthermore, the AAA does not call on donors to promote poverty eradication and human rights — rather than foreign policy and economic interests — as the primary objectives of development cooperation. It is very rare that donor and developing countries plan and assess the impact and achievements of ODA also from a human rights perspective, utilizing recommendations provided by UN human rights experts or specialized bodies. As explained above, a deeper

marriage between human rights provisions and ODA procedures will contribute to the promotion of human rights and eradication of poverty.

- The AAA also makes no mention of the importance of policy coherence. In order to avoid undermining aid efforts, donors must consider the impact of a broad range of their policies — in development-related areas such as agriculture, foreign investment, trade and migration — on developing countries. All these policies should be coherent with human rights standards and other internationally-agreed development goals, including gender equality, decent work and environmental sustainability (§ 13 c).

Recommendation 12: Untie all aid.

Assessment: *Not Achieved*

- No progress was achieved at Accra on untying 100 percent of aid. In the AAA, donors only restated an existing and very modest commitment made in 2008 to extend coverage of the 2001 Recommendation on Untying Aid to the eight heavily indebted poor countries (HIPC) that fall outside the least developed country category. In addition, the AAA calls for improved reporting on this recommendation.
- Donors also agreed to “elaborate individual plans to untie their aid to the maximum extent” (§18b) but there is no date by when they should produce these plans, nor any target. Neither are there any official agreements to extend untying to technical assistance or food aid.¹²
- Donors have also failed to articulate plans on how to better allow developing countries to maintain preferences for locally procured goods and services to ensure that more aid money remains in the countries it has been given to and that funding is used according to national decision-making processes.

Recommendation 13: Reform technical assistance to respond to national priorities and build capacity.

Assessment: *Partially Achieved*

- The AAA calls for developing countries and donors to “jointly select and manage technical cooperation” and states that donors’ support for capacity development should be demand-driven in order to support country ownership (§14b).
- However, the AAA did not agree to any specific and measurable action on this area. Neither is there any detail on how donors will work to ensure that all technical assistance is demand-driven and based on country needs.

Recommendation 14: Improve aid allocation to respond to needs.

Assessment: *Partially Achieved*

- The AAA stated that donors would seek to improve allocation of resources within sectors, within countries, and across countries, and committed them to addressing the issue of countries that receive insufficient aid (§17).
- Although recognition of this problem is an important first step, the AAA introduced no concrete measures to improve aid allocation and there is no evidence that donors have moved to act on this recommendation collectively.
- Moreover, as long as economic, foreign policy and other interests are the primary drivers of the provision of aid, uneven and inefficient aid allocations will continue. This is an issue which has been highlighted by CSOs and organizations such as the UN, but to date no specific multilateral initiative has been initiated to address it or do what is necessary to fulfill human rights.

Recommendation 15: Set new targets to improve multi-year predictability of aid.

Assessment: *Partially Achieved*

- The AAA makes strong progress in this area. Donors have committed to providing full and timely information on annual commitments and actual disbursements. They also agreed to provide developing countries with regular and timely information on their rolling three- to five-year forward expenditure and/or implementation plans, with at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks. However, there is little evidence that either of these commitments is being fulfilled, despite the immediate time requirement for taking them forwards.
- While donors currently participating in the IATI process will provide more regularly available information to governments on their commitments and disbursements, not all donors have signed up to IATI. The standards have also not yet been written or agreed, leaving it unclear to what degree signatories will be obligated to make forward spending plans available.
- It is crucial that donors also recognize that the use of policy conditions, by their very nature, negatively affects the predictability of aid.

Recommendation 16: Ensure meaningful participation by CSOs in the Accra HLF.

Assessment: *Partially Achieved*

- In theory, the AAA recognizes the need "to develop institutionalized processes for the joint and equal partnership

of developing countries and the engagement of stakeholders” (§30).

- In practice, the situation has been different. At the HLF3, the role and voice of civil society was curtailed, although the space given to CSOs was greater than in similar meetings in the past. Still, CSOs were assigned a limited number of slots to the event (80) and were excluded from engaging in the drafting process of the AAA or speaking during key, high-level discussions.
- Moreover, it is not clear if the recognition by the AAA of civil society as joint partners provides an opportunity to: promote a deeper reflection on systemic issues regarding the aid architecture; reform international governance; ensure that international institutions are fully accountable; and provide an equal basis for participation by all development actors.¹³

Section 3: 2011 and Beyond

Looking towards 2011 and beyond, CSOs remain committed to the 16 recommendations detailed in the preceding section. These calls are aimed at transitioning from a narrow focus on aid management and delivery to a more inclusive and outcomes-oriented approach for development effectiveness that is based on human rights and the recognition of the centrality of poverty reduction, gender equality, social justice and environmental sustainability. Changes are needed in the aid architecture to achieve inclusiveness and legitimacy and to correct the imbalance of power in the country relations, (e.g. through mutual accountability, reduction and elimination of tied aid, elimination of donor-imposed policy conditionality, and increased aid predictability and aid transparency). Finally, mechanisms must be put in place to ensure signatories follow through on commitments.

To date, governments as a whole have neither taken sufficient steps to meet the 2010 implementation deadline of the Paris Declaration, nor made substantive progress on implementing their AAA commitments. So far only 12 of 26 DAC members have developed action plans for implementing the AAA and very limited advancements have been made overall in carrying out the commitments of the AAA.¹⁴

This analysis suggests that donors are still not fully committed to the goal of making aid country-owned and more effective. *Effectiveness* must be understood as making poverty reduction sustainable, realizing human rights and achieving gender equality, social justice, decent work and environmental sustainability. According to the OECD 2008 report that monitors the implementation of the Paris Declaration, “*the message from the survey is clear: we will have to accelerate change considerably if we are to achieve the targets set for 2010. This means more than just putting more pressure on the gas pedal. It requires shifting gears*”.¹⁵

Looking specifically at donor commitments, the OECD survey highlights a number of key areas where implementation has been

most disappointing.

- Donors have made little progress in using country systems since the last survey (covering performance in 2005);
- Less than half of aid delivered to the government sector appears in national budgets;
- Only 24 percent of countries had processes in place for mutual assessments of commitments;
- Donors are failing to deliver enough aid through program-based approaches and to coordinate effectively.

5 What is development effectiveness?

Development effectiveness goes to the heart of the argument that effective development requires more than just effective institutional aid. Development effectiveness is about the impact of the actions of development actors, including international aid, on improving the lives of the poor and marginalized. It promotes sustainable change that addresses the root causes as well as the symptoms of poverty, inequality and marginalization. This approach puts the poor and marginalised populations as the fundamental concern and owners of development, challenging many of the current approaches to aid effectiveness. Significant progress in ending poverty and inequality will ultimately be achieved when the rights of the vulnerable and the poor, who comprise the majority of people in developing countries, are expressed and recognized in the face of highly unequal cultural, social, economic, and political power relations at all levels. The goals of development effectiveness are centered on the realization of human rights, gender equality, decent work and sustainable development. With women forming the majority of the poor and vulnerable, issues of gender equality and processes for women to claim their rights must be central to poverty and inequality reduction efforts.¹ Development effectiveness requires significant changes in international global governance structures at all levels, including trade, financial markets, foreign direct investment and debt.

Transition to Development Effectiveness

Government actions alone, while important, will not reduce poverty, eliminate inequalities and ensure the fulfillment of human rights for all, and partial actions (or the absence thereof) certainly will not. If real impacts and progress are to be made, societies as a whole — including women, indigenous people, trade unions and grass-roots organizations among other marginalized groups — must be engaged as equal partners in this effort.

This speaks to the larger question of broadening and deepening the discussion to emphasize the results that aid is intended to achieve and not just the process of aid delivery. An agenda rooted in ensuring development effectiveness, rather than aid effectiveness, would focus on the impact of development actors' actions on improving the lives of the poor and marginalized and producing sustainable change. Aid must address the root causes and symptoms of poverty, inequality and marginalization if it is to work and serve development for all. Such an agenda must aim, besides contributing to the reduction of poverty, at realizing the right to development of all communities, which, in turn, will promote the realization of all human rights. Respect for the promotion of human rights in the context of development cooperation means that efforts to promote economic, social and cultural rights should also take full account of and be fully consistent with civil and political rights. For this to happen, states have the obligation to equitably and effectively use and have access to the development resources available, among which aid, while it is needed, plays a major role.

Reforming the Aid Architecture

Achieving the goals implied by development effectiveness will only be possible if key development actors — notably developing countries, civil society, and people living in poverty — are meaningfully involved in the formulation and implementation of aid policies. A system of aid that widely promotes the self-interests of donor countries, accompanied by punctual and fragmented charity, is both incapable and insufficient to fulfill states' obligations under international human rights treaties or to achieve the development agreements committed to. While existing commitments to improve the effectiveness of aid must be implemented, any reform agenda clearly

has to go beyond the technical confines of the Paris Declaration and the AAA in order to coherently translate broader development effectiveness issues from promise into practice.

In terms of global governance, the next High Level Forum, to be held in Seoul in 2011, should be the end point for the central role assigned to the OECD. The current discussion is being orchestrated by donors and international financial institutions that do not have the legitimacy of the 192 countries of the United Nations. There needs to be a more equitable and multilateral forum for resolving issues of aid architecture and development effectiveness.

Development effectiveness (as understood in box 5) should be tasked to a body that can promote inter-organizational cooperation and represent all countries on equal footing. The UN Development Cooperation Forum, under the United Nations Economic and Social Committee, should be strengthened to become the main space for standard setting on development cooperation, involving development-relevant agencies such as the International Labour Organization (ILO), the United Nations Development Fund for Women (UNIFEM) and the human rights treaty bodies. It should serve as the platform for promoting discussion, coordinating international actors and helping to set the agenda on development effectiveness by promoting systematic coherence among global policies for development and their integration with national level actions.

Section 4: Conclusion

The main work towards the next High Level Forum in 2011 and beyond must enshrine the above principles of development effectiveness and recast aid effectiveness accordingly. Donors and developing country governments must leave behind the obstacles posed by using a framework that looks at aid as the means and end of a technical process. A development effectiveness framework would reframe alignment and harmonization; overhaul current notions of managing for development results; go beyond the technocratic notions of transparency and accountability, aid management and ownership; and include a human rights-based approach to development.

For this shift to happen there must be a clearer understanding of the relationships between development effectiveness, development cooperation and aid reform. Development effectiveness means recognizing that the framework must be based on local, participatory and democratic ownership, without policy conditionalities, in order to move from a focus on managing for development results to one of social justice. What follows 2011 must be a process that is inclusive and rights-based and that consistently takes into account human rights, gender equality and decent work, among other key elements of social justice. Donors and developing countries have embraced standards, principles and legal obligations under key conventions and treaties that provide the basis for this to happen. This re-focusing will allow development cooperation to be embedded in a long-term, sustainable relationship rather than in a system of aid assistance that more often than not takes a short-term view of aid relationships and commitments.

Only these changes will allow 2011 to be a watershed in development, rather than another set of empty promises and targets.

Endnotes

¹ See: UN Millennium Campaign, 'New analysis shows that financial industry has received almost ten times more in bailout money in past year than poor countries have received in aid over past 49 years', Press Release, 23 June 2009.

www.endpoverty2015.org/files/062309%20Financial%20Crisis%20Press%20Release_0.pdf.

² See: Jens Martens, 'The Precarious State of Public Finance. Tax Evasion, capital flight and the misuse of public money', (Bonn, Germany: DGB-Bildungswerk, January 2007).

www.taxjustice.net/cms/upload/pdf/martens_precarious_finance_2007.pdf.

³ The assessment of "achieved", "partially achieved" and "not achieved" is based on looking at the recommendation made by Better Aid and the subsequent text included in the AAA. It does not take into account the status of implementation. Members of Better Aid, who have worked closely on the issues, helped to assess progress and assign the rating.

⁴ "Recognise" is understood to mean include text and language that supports an idea, aim and/or position.

⁵ See: Declaration on the Right to Development. Adopted by General Assembly resolution 41/128 on 4 December 1986. www2.ohchr.org/english/law/rtd.htm.

⁶ Cecilia Alemany and Graciela Dede, eds. \Conditionalities Undermine the Right to Development\ (Mexico City, Mexico: AWID, 2008): www.awid.org/eng/About-AWID/AWID-News/Conditionalities-Undermine-the-Right-to-Development.

⁷ Signatories as of 24 November 2009. See: www.aidtransparency.net.

⁸ While donors have addressed some issues of corruption within their own legal boundaries through various international agreements, these are not effectively joined up to the donors' commitments on accountability as part of the Paris Declaration process. It is essential that donors take steps in their own countries to combat corruption by individuals or corporations. A first step towards these ends would be ratifying the UN Convention against Corruption (which Germany, Ireland, Japan and New Zealand still have not done) and fully implementing its provisions.

⁹ The DCF is a UN initiative which was launched in July 2007 in an attempt to bring together all the relevant development actors (developing and developed countries, including bilateral development agencies, UN system organizations, World Bank, IMF, OECD, regional development banks as well as civil society, parliamentarians and the private sector) to engage in a dialogue on key policy issues affecting the quality and impact of development cooperation. For more information, see: www.un.org/ecosoc/newfunct/develop.shtml.

¹⁰ UN experts on the right to food have called for the need to integrate human rights in development cooperation. A 2008 document, presented by Mr. De Schutter, highlights a number of advantages of utilizing a right-based approach – focusing, in this context, on the right to food - in ODA allocation. He asserted that "it would improve the effectiveness and the legitimacy of development cooperation; improve the accountability of both donor states and international agencies and their partners. The adoption of a human rights framework can therefore considerably strengthen current efforts to improve the effectiveness of aid, based on the five principles of national ownership, alignment, harmonization, managing for results and mutual accountability. For more information, see: Mr. Olivier De Schutter, UN Special Rapporteur on the Right to Food, 'Integrating the right to adequate food in development cooperation', speech given at the Global Donor Platform for Rural Development meeting entitled 'The global food challenge – our coordinated response', 18 November 2008, Geneva, Switzerland. Available at: www2.ohchr.org/english/issues/food/pressreleases.htm.

¹¹ Better Aid ISG brief, 'Accra Agenda for Action: Moving from Aid Effectiveness to Development Effectiveness'.

¹² Although untying aid is an aid effectiveness priority area for the European Union, especially for food aid, little progress has been made. Still, individual countries have taken action. For example, Canada, a donor with a poor record on untying aid, has agreed to fully untie its funding by 2013.

¹³ Better Aid ISG brief, "Accra Agenda for Action: Moving from Aid Effectiveness to Development Effectiveness".

¹⁴ See: AAA Action Plans. Available online at the Working Party on Aid Effectiveness Website Portal. Accessed on 27 November 2009.

www.oecd.org/document/6/0,3343,en_2649_3236398_18638150_1_1_1_1,00.html.

¹⁵ See OECD, 2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010 (Paris: OECD, 2008). p13.