

**THE PARIS DECLARATION ON AID EFFECTIVENESS:
DONOR COMMITMENTS AND CIVIL SOCIETY CRITIQUES**

**SUMMARY OF A CCIC BACKGROUNDER
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1. PARIS DECLARATION

The *Paris Declaration*, adopted by 22 donor countries at the Development Assistance Committee (DAC) of the OECD in March 2005, is the culmination of ten years of donor discussion of ways to improve aid effectiveness. All donors, including CIDA, have agreed to be evaluated against the commitments in the *Declaration* and the DCAC / World Bank indicators of progress. Consequently it will have a decisive influence on how CIDA will program in the future.

The *Paris Declaration* reforms focus on five areas: 1) local ownership; 2) alignment with country development strategies (donor-approved Poverty Reduction Strategy Papers or PRSPs); 3) harmonization of donors' different institutional demands on recipients (move from projects to program-based approaches); 4) managing for results, and 5) mutual accountability. The DAC and World Bank have developed, for each of these areas, 12 indicators and measurable targets to be achieved by 2010 (see the Appendix of the Backgrounder).

Canadian and Southern CSOs have long called for reforms of the aid system. For CSOs the *Paris Declaration* is an important initiative to reform and improve aid practices. However, they also warn that its impact on poverty reduction will be limited if the reforms ignore the crucial role of civil society actors in development processes and further marginalize these actors in their own societies. Reforms are incomplete and change is needed in four areas:

2. TAKING ACCOUNT OF CIVIL SOCIETY ACTORS

In focusing largely on improving the capacities of the state in the poorest countries, the *Paris Declaration* reforms ignore the role of citizens and CSOs as development actors in their own right, many with a long history in organizing economic, social and political initiatives with and on behalf of the poor. Citizens of developing countries, and particularly people living in poverty and the marginalized, must participate in and determine the priorities for development policies. Their concerns are not necessarily captured by donor-managed "blueprints" for poverty reduction, such as PRSPs.

3. OWNERSHIP AND CONDITIONALITY IN TENSION

The *Paris Declaration* asserts that "in determining the most effective modalities of aid delivery, [donors] will be guided by development strategies and priorities established by partner countries". Donor rhetoric on the importance of "local ownership" of development policies, unfortunately, conflicts with the dozens of conditions these same donors attach to aid programs. The *Declaration* contains no targets or indicators relating to a reduction of conditionalities.

The CSO call for a cessation of imposed conditions for aid does not mean that there should be no policy discussions or contractual terms for transparency and accountability. Rather, many CSOs emphasize the importance of reforming donor/recipient policy discussions to be inclusive of all development actors and structured in relation to agreed international human rights obligations.

4. ALIGNMENT AND HARMONIZATION: IN WHOSE INTERESTS?

The *Paris Declaration* rightly acknowledges the importance of strengthening the capacities of state actors. Reform of donor practices – to harmonize institutional requirements for planning, reporting and auditing and to coordinate support to state priorities in education or health – is welcomed. But some of these reforms rest on the untenable assumption that a limited donor/recipient partnership made up of state/senior officials can represent the consensus interests of all major development actors in any society. Donor procedures for harmonization may ignore or undermine the need for independent civil society actors to represent constituencies of the poor.

People living in poverty often have to fight to claim their rights for health care or livelihoods, against the established interests of the wealthy. This reality of development is not reflected in the *Paris Declaration*. It largely ignores the critical importance of organized communities of poor and marginalized people, and their role in applying local knowledge and efforts to respond to uniquely local conditions and challenges. If civil society organizations become sub-contractors to their own governments in order to access donor resources, these organizations will be ill-placed to hold these same governments accountable for poverty-focused development results.

5. MUTUAL ACCOUNTABILITY

The *Paris Declaration* acknowledges the importance of mutual accountability by committing to “jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness...” Effective independent assessment of aid must accompany a democratization of the aid regime, with particular emphasis on governance reform in the International Financial Institutions. The *Paris Declaration* says little about strengthening the independent capacities of developing country partners to assess progress on the part of donor partners in achieving the *Declaration’s* goals.

6. CONCLUSION

The *Paris Declaration* is a very important initiative to reform donor aid practices, which if implemented will contribute to more effective aid delivery. However, these reforms will be incomplete, with limited in its impact on poverty, if they ignore the crucial roles of civil society actors in development processes, and further marginalize these actors in their own societies. In the absence of further policy reflection by donors on this gap, *Paris Declaration* will affect CIDA’s partnerships with Canadian civil society organizations.

- ❑ CIDA will be programming increasing amounts of aid resources through government ministries in the 25 countries of priority, aligned with government development plans (PRSPs), and harmonized with the dozens of conditions and benchmarks from participating donors, often led by the World Bank.
- ❑ Program-based approaches, in which civil society play a marginal role at best, will increasingly replace the project modality for the delivery of Canadian aid in the 25 priority countries.
- ❑ Canadian and Southern CSOs partners may be pressed by CIDA to align their partnerships in accord with donor-approved national development strategies for “responsive” programming by Canadian Partnership Branch or the Bilateral Branches.
- ❑ Southern civil society organizations may be increasingly invited to access donor resources through their own governments and in turn become less independent as sub-contractors to these governments.