

From Paris 2005 to Accra 2008: Will Aid Become More Accountable and Effective?

A Critical Approach to the Aid Effectiveness Agenda

Summary and Recommendations

The International CSO¹ Steering Group (ISG) coordinating the “CSO Parallel Process to the Ghana High Level Forum Network” has prepared a position paper that will be presented to the High Level Forum III where CSOs have requested to speak to the Ministerial meeting. The Network is currently calling for a broad CSO endorsement. Please consult the full version of the position paper at www.betteraid.org and sign-on before the end of March 2008.

The Network will take advantage of the Ghana HLF to raise awareness of the aid effectiveness agenda and related problems. CSO concerns include among others, governance and accountability, ownership, effective aid delivery, tied aid and conditionality, at the same time ensuring that the core issues of gender equality, human rights and solidarity in the aid architecture are seriously addressed.

CSOs are promoting a deepening of the aid effectiveness agenda, so that it addresses the concerns of all stakeholders in the development process. They argue that the only true measures of aid’s effectiveness are its contribution to the sustained reduction of poverty and inequalities; and its support of human rights, democracy, environmental sustainability and gender equality.

CSOs consider aid effectiveness one of a triad of key issues in development financing – the other two key issues being debt cancellation to end the debt crisis in developing countries, and for rich countries to meet their commitments to give 0.7% of GNI as Official Development Assistance (ODA).

Civil Society Recommendations for the Ghana HLF:

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

The Accra HLF must ensure that the aid effectiveness agenda aims to reduce poverty, promoting gender equality and guaranteeing human rights and social justice. The Accra Agenda for Action (AAA) must commit to a work plan for 2010 that would elaborate indicators and an inclusive process of assessment of new aid modalities in terms of their actual impact on the achievement of progress in poverty reduction, gender equality, human rights and social justice.

Recommendation 2: End all donor-imposed policy conditionality.

The AAA should include a commitment to end all donor-imposed policy conditions and practice of using aid with foreign and economic interests, priorities and military interventions. The AAA should include as well recognition that such conditions undermine democratic ownership. The AAA should set out a work-plan to achieve ambitious targets to

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simplify and reduce the overall number of conditions (including triggers, benchmarks etc) attached to the program-based approaches promoted by the Paris Declaration.

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

Donors must commit in the AAA to the highest standards of openness and transparency. This should include: timely and meaningful dissemination of information, particularly during aid negotiations and about disbursements, and the adoption of a policy of automatic and fully disclosure of relevant information, in languages and forms that are appropriate to concerned stakeholders, with a strictly limited regime of exceptions.

Southern governments must work with elected representatives and citizens' organisations to set out open and transparent policies on how aid is to be sourced, spent, monitored and accounted for. This requires that government ministers and officials be accountable to their citizens, with effective mechanisms of answerability and enforceability, based on improved transparency of information about government policies and programmes.

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

At Accra, governments should agree to focus entirely on strengthening procurement systems to be more accountable to citizens in recipient countries. Rather than rewarding countries that introduce greater (if not full) liberalisation, they should support recipients to look at different ways to link government procurement to broader economic and social goals through country-led Technical Assistance.

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.

Donors and Southern governments should support the conditions which are necessary to enable CSOs in the South to fulfil their roles in the development process. CSOs need legal frameworks and mechanisms which provide for freedom of association, the right to organise and participate in national decision-making processes, and a free and open media. CSOs also need predictable long-term funding – donors should explore new modalities of support to provide this.

CSOs are essential for creating a climate of social, political and economic change towards reducing poverty and inequalities and the fulfilment of human rights. Therefore it is vital to preserve their strategic role.

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

The AAA should create a system of independent monitoring and evaluation of the PD at international, national and local levels. At the international level, new independent institutions will be needed to play this role, in order to hold donors to account for their overall performance. At the national and local levels monitoring and evaluation should involve a range of stakeholders – including CSOs.

Monitoring and evaluation should also take much more account of the links between reforms in aid modalities and development outcomes and progress towards human rights. The AAA

should initiate work to further explore these links. The AAA should also set out a working plan to develop a more comprehensive and participatory process, led by developing country partners, including Southern CSOs, for determining more appropriate indicators and measurements of aid effectiveness. The 2010 review of the Paris Declaration commitments should be expanded to include the outcomes of this comprehensive assessment.

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

Aid terms must be fairly and transparently negotiated with participation and accountability to people living in poverty and inequality. Donors and recipient governments should agree to base future aid relationship on transparent and binding agreements including clear commitments by donors on aid volumes and quality, with sanctions. In addition, it is vital that effective fiduciary mechanisms remain in place to ensure that aid money is spent for the purposes intended. These agreements should be independently monitored.

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

Multi-stakeholder mechanisms for holding governments and donors to account for the use of aid should be developed – these should be the real test of whether commitments to ‘mutual accountability’ are being met. They should be open, transparent and regular, with real room for citizens of southern countries to hold their governments and donors to account.

The ECOSOC Development Cooperation Forum could become a much better space for a mutual accountability exercise, with multi-stakeholders presence, being placed at the UN and governed by its rules.

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

The aid reform process should be dealt with in a broader multilateral institution with clear and transparent negotiating mechanisms, equitable representation of donors and recipients, and openness to civil society.

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

Targets for individual donors should be set for 2010 to ensure that they meet the commitments they made in the PD. Donors must re-affirm their willingness to change the way they do business to meet basic standards of aid quality. In line with the commitment to reduce poverty and inequality, donors should ensure access to resources for country owned gender strategies.

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

Donors must commit to give aid mostly to eradicate poverty and inequalities and to promote human rights. They must end the practice of using aid for their own foreign and economic policy interests and priorities.

Recommendation 12: CSO urge for a stronger expression of commitments to untied aid.

At Accra, donors should commit to expanding the agreement on untying aid to all countries, and all aid modalities (including food aid and technical assistance) and set up independently monitored targets for translating this commitment into practice.

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

Targets on improving technical assistance should be strengthened; including making sure that 100% of technical assistance is demand-driven and aligned to national strategies. The right of recipient countries to contract according to their needs should be respected. More effective South-South forms of technical assistance should also be developed.

Recommendation 14: Improve aid allocation to respond to needs.

At Accra, governments should agree to develop an effective and transparent international mechanism to improve aid allocation so it goes to those most in need.

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

Donors should agree new targets in Accra to make multi-year, predictable and guaranteed aid commitments based on clear and transparent criteria.

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

CSOs should be included in all the segments of the Accra HLF. CSOs perspectives must be part of the official discussions, including the Ministerial event and the drafting of the Accra Agenda for Action.

The agenda for the HLF must reflect the concerns of groups which are often excluded from these processes. In particular, meaningful participation of women's organizations in the whole HLF process, including through a roundtable on gender equality and aid effectiveness, is key to ensure that the voices, concerns and proposals of women are taken into account.

For a list of CSO Signatories to these recommendations see

http://betteraid.org/index.php?option=com_content&task=view&id=88&Itemid=26.