Chapter 4
What is Needed for Aid Policies
to Facilitate Development Outcomes
for the Poorest Communities

Introduction

The previous three sections of this publication have shown that aid relationships are still based on the power of the donors, with the IFIs leading the way in exerting unacceptable influence over the policies of developing countries. The Paris Declaration is a small step in the right direction, but falls well short of effectively ensuring an adequate focus on the key objectives of combating poverty, alleviating hunger and preventing disease.

This chapter therefore looks at what is needed for aid policies to be successful at achieving these rights-focused aims. It highlights principles that need to be applied, based on the solid foundation of democratic ownership of development policies.

UK

The article from the UK NGO ActionAid sets out why accountability is so important in providing for a balanced aid agenda leading to better development outcomes. It acts as a vital check on the abuse of power or the violation of human rights, ensuring that donors are a help and not a hindrance to citizens' struggles.

It asserts that accountability means power holders' having to justify their actions (answerability) and others' having the ability to rectify or sanction poor performance by donors (enforceability). Accountability requires transparency and openness to work. The article also explains the negative consequences of not having this accountability on the practical delivery of policies and projects affecting the lives of some of the poorest people on earth.

Accountability is essential to ensure that democratic ownership becomes a reality. The article ends by making a series of recommendations around the themes of: (1) respecting real ownership of the development process; (2) improving transparency to southern governments and citizens; (3) creating and improving answerability and enforcement mechanisms; (4) and creating effective international mechanisms for standard setting and oversight of aid.

Cambodia

A paper by the NGO Forum on Cambodia argues that whilst accountability is an important concept, it is essential to ask the question 'accountability to whom?' This is a question, however, that the Paris Declaration fails to address and thus fails as well to provide a mechanism to make accountability work in practice. Recipient governments are clearly held accountable by donors, but they should be accountable to their own citizens, either directly or through CSOs and parliaments.

At the moment donors are not really accountable to anyone. However, their role should be to act as facilitators and architects of partner countries' democratic governance systems.

The piece asserts that four elements are needed to make accountability work: (1) commitment to account for development results; (2) measurement of development

What is Needed for Aid Policies

results; (3) accountability enforcement; (4) and an enabling environment, including transparency and access to information. It is important that input and output indicators are chosen to give accurate information on the intermediate results of aid, so that weaknesses can be revealed and policy improvements made.

Africa

An article from the African Debt and Development Network (Afrodad) focuses on the need for managing for results, which is the process of assessing the development results of aid policies to inform improvements in these policies. It highlights the efforts needed from recipients and donors to ensure that aid delivery provides the maximum positive impact on the everyday lives of the world's poorest and most marginalized people.

It argues that recipient countries need to improve the links between national development strategies, which should set out the results to be achieved and annual and multi-annual budgets. They also need results-oriented reporting and assessment frameworks. These provisions would enable policies to be led by the assessment of previous efforts.

Donors, on the other hand, must align their support with national development strategies and rely as much as possible on partner country performance assessment frameworks. They should work with partner countries to strengthen developing country capacities and harmonize their efforts in line with national frameworks.

Key challenges include making participation a reality, allocating budgets according to priorities, developing capacity, fighting corruption and successfully coordinating inclusive monitoring based on coherent indicators. For resources to be adequately linked to results, policy conditionalities need to be stopped and project funding replaced. The role of CSOs

as development actors needs to be fully recognized and funded.

Nicaragua

The article of *Lacayo* strongly asserts that the role of the general population and the CSOs in ownership of the development policy process is essential and should be articulated with the government and state institutions, and coordinated with local authorities and participation spaces.

The experiences of the different processes in the Latin America and Caribbean region (LAC) and in preparing for the High Level Fora on aid effectiveness have left great richness that can serve as examples for other regions. However much work is needed to achieve national democratic ownership where CSOs can have enough influence to change the way that development cooperation is run.

Firstly, there should be a critical evaluation of all of the content and aims of development policies with the promotion of rights and tackling of poverty placed at the center of actions. Bottom-up processes with a grassroots perspective are fundamental in this context.

International partners should promote a representative and participative approach to democratic national ownership, with CSOs effectively recognized and brought into the policy-making processes. This must be supported by capacity-building efforts, fully open and transparent processes and the full engagement of legislative assemblies.

Mexico

An article from ALOP calls for international development co-operation as a new global public good in an increasingly globalised world. It should be used to resolve global problems and preserve other global public goods, including personal freedom, biological diversity, cultural diversity,

What is Needed for Aid Policies

democracy and peace. It argues that current forms of development assistance were thought up in a different world where today's rules and today's reality did not apply; change is therefore essential.

Whereas public goods were usually protected at the local level, there are increasing demands on each other's resources in the modern world. Issues are growing around the relationship between the places that enjoy an abundance of resources and the poorest, disregarded masses of the globe.

The United Nations is not currently capable of protecting the allocation of resources and there are dangers all over the world from the privatisation of public goods such as drinking water for short-term private gain. The new stewards of global public goods must be a combination of states, international organizations with governing capacity, global social CSOs, movements and local agents.

International development cooperation must become an increasingly useful tool, privileging support for the Right to Development of all of the world's people. This needs to be based on: (1) broad-based participation in the construction of international guidelines; (2) strengthening of global social organizational networks; (3) participation of local groups affected by policies; and (4) a positive environment of openness and information production with clearly defined roles.

Ultimately, the paper argues that a change in philosophy is needed away from seeing aid as a relationship between a donor (with resources) that makes decisions and holds others accountable, and a receiver (with needs) that carries out the decisions made by the donor and is held accountable. Rather, development aid should be a cooperation between two sides that both have needs and resources, that hold each other accountable and are aware of the need to join forces to resolve common problems.

AWID

The Association for Women's Rights in Development (AWID) emphasises that the majority of people living in poverty are women and girls. It therefore argues that, beyond the highly technical Paris Declaration, governments should be held accountable for their implementation of other commitments on development, human rights and gender equality through agreements such as the International Covenant on Economic, Social and Cultural Rights.

The international community needs to take steps at HLF 3in Accra and Doha to broaden the development agenda to respond to people's needs and to seriously advance towards the achievement of development goals for the poorest. Achieving gender equality objectives requires both a reallocation of existing resources and an important injection of additional ones. This can only be accomplished if there is strong political commitment from all governments and multilateral institutions.

Donors and governments must deliver on their gender equality commitments, with specific policies developed and resources allocated for their advancement. Gender equality needs to be integrated into the monitoring and evaluation of the Paris Declaration and a strong and clear commitment to gender equality made at HLF3. This must be part of a more inclusive development paradigm, which also strengthens transparency, mutual accountability, democratic ownership, capacity and women's participation. Guidelines and tools are needed for the contribution of new aid modalities to national obligations to gender equality.

What is Needed for Aid Policies

Conclusions

It is clear that for the Reality of Aid Network a lot needs to change to achieve better aid policies that contribute to and facilitate effective development in the poorest communities. Most profoundly, a total change of philosophy is required, moving away from the traditional 'donor-recipient', power-based model to one in which all countries are partners in the effort to promote the right to development and protect related global public goods.

Perhaps the key issue here is around democratic ownership of development policies and participation at all stages of the policy process - through policy-making, implementation and assessment - by citizens and their representative bodies. Overall the important role of both parliaments and CSOs as development actors and the contribution they can make to more successful policy-making should be better recognized and funded to support the development of capacity.

Only when true democratic ownership is in place can alignment of aid policies with recipient countries policies' and harmonization of efforts by donors be of any real contribution to better development policies. There is also a mutual dependence between democratic ownership and true accountability - which means effective systems of enforcement by which citizens groups can hold development actors to account. Transparency and openness are essential for both.

Aid policies should be managed according to their effectiveness at achieving respect for human rights - this requires effective monitoring and assessment systems, again with the participation of grassroots organisations. Part of this process must be a renewed commitment to achieving gender equality objectives through adequate attention and resources.

Pulling the Strings –
How Donors' Control of Aid Undermines Democratic Ownership and Accountability

Elvira Groll
ActionAid UK

Why Accountability is Important

"All governments must be accountable for fulfilling their part of this bargain, both to their people and to each other."

- Kofi Annan on international development commitments at the UN General Assembly, 21 March 2005

Improving accountability is fundamental to development. Accountability leads to better development outcomes when governments improve their services and behaviour in response to citizens' demands. It provides a vital check on the abuse of power or the violation of human rights. It involves citizens' organising and mobilising themselves to protect their rights and to demand that powerful actors answer for their actions. Therefore, it is an important part of a democratic development process, both in regard to the freedoms and rights inherent in this concept and to the processes necessary to protect and enhance those freedoms and rights.

Donor governments often disrupt this relationship by making recipient governments concentrate on being accountable 'upwards' to donors instead of 'downwards' to citizens. Conversely, donors are only weakly accountable to southern governments and citizens. This imbalance in accountability is caused by power relations within the aid system, which is dominated by donors. Donors very often have the power to alter or stop aid flows as and when they wish, and often do. They also seek to have influence through the use of advice or provision of expertise, often in the form of technical assistance. Donor influence is not limited to aid, of course, but is bound up with security, trade, investment, and other agendas they bring to the table.

Rectifying this imbalance and making donors and the aid system more accountable to the people aid is supposed to help is critical in improving the effectiveness of aid. It will help ensure that aid priorities are truly owned by recipient countries and not imposed by donors. Improving the accountability of donors offers one of the surest routes to tackling persistent aid problems such as aid volatility and unpredictability, as well as ending damaging practices such as tying aid to donor goods and services. Finally, making aid more accountable also means that donors can become a help rather than a hindrance to citizens' ongoing struggles to make their states accountable and responsive to them.

What is Needed for Aid Policies

What is Accountability?

Accountability is about power relations. It describes the ways in which those who have power – organisations, institutions and individuals – can be held to account by the people affected. It is an inherently political concept because defining accountability relations is in itself an attempt to change power relations.

The two key aspects are **answerability** – power-holders having to justify their actions - and **enforceability** – how poor performance of transgression by the power holders is rectified or sanctions enforced. Accountability relationships also involve **standard-setting** (defining norms of behaviour against which those with power should be judged) and investigation, which depends on **transparency and openness** (to find out if those norms have been met).

The key questions to ask when thinking about accountability are:
☐ Who is accountable? (Who holds power?)
☐ For what are they accountable?
☐ To whom are they accountable?

Accountability is a major pillar of democratic processes as it allows citizens to control the actions of their governments and other actors. It involves many actors, including parliaments and civil society organisations.

Undermining Democratic Ownership

Ownership is widely seen as the cornerstone of development and is one of the five partnership commitments of the Paris Declaration. Effective poverty reduction requires that countries are able to decide and direct their own paths. Yet truly democratic ownership does not only mean ownership by the southern government. It must also engage parliaments, civil society including women's rights groups, and other stakeholders in the development process.

Donors have often undermined democratic ownership in a number of ways:

- **Imposing harmful policy 'conditionalities'**

    International aid is often tied to recipients' implementing particular policy changes, effectively denying southern citizens and governments the right to freely choose the policies best suited to their economic and social situation. There has been growing consensus in recent years that the impact of policy conditions on poor countries has often been negative as they distort democratic processes, impose inappropriate policies and generate high transaction costs. [1] Very often conditions are set by donors in a one-size-fits-all manner and without considering the specific political and economic situation of countries. In spite of both demands and commitments to decrease conditionalities and the negative experiences with structural adjustment programmes, bilateral donors still tend to harmonize around IMF and World Bank conditions as they have done in the past. [2] It seems to be handy for donors to align to economic frameworks set out by the Bretton Woods Institutions as these still have a reputation of macroeconomic expertise, and in case of failure can divert the attention from bilateral donors. However, this tactic further increases the power and influence of donors on policy decisions; undermining national ownership.

What is Needed for Aid Policies

- **Bypassing government systems**

  Although the Paris Declaration calls for an alignment of aid flows to national priorities and budget procedures and commits donors to report at least 85% of their aid on budget until 2010, many donors spend external assistance directly without reporting to the recipient government. This is due to lack of trust in national institutions as well as the attempt to keep as much control as possible over the way aid is spent. As the "2006 OECD Survey on Monitoring the Paris Declaration" emphasises, only four out of 22 donors have so far reached this target while six donors report less than 50% of their aid to the recipients' government.[4] This makes it extremely difficult for recipient countries to track the use of aid and hold donors accountable. In Afghanistan, a heavily aid dependent country with almost three- quarters of total public expenditure provided by donors, over 75% of external assistance is spent directly by donors, mostly without being reported to the government. Therefore, the Afghan government has very limited control over aligning aid money to its development priorities.[5]

- **Refusing to be transparent and accountable for their action**

  Aid negotiations often happen behind closed doors between donors and governments without engaging parliament and civil society in decision-making or monitoring processes. While policy dialogue between government officials has intensified due to the Poverty Reduction Strategy Papers (PRSP) process, parliamentarians and civil society representatives tend to be excluded from those discussions. Recent case studies have shown that southern government officials are also very reluctant to get engaged with civil society or other stakeholders on political issues.[6] Proper accountability mechanisms for the use of aid on a national level are missing in most southern countries. To respond to this problem, civil society organisations, including ActionAid, in countries such as Ghana, Cambodia and Kenya have begun to organise forums to examine aid issues and hold donors and governments to account.

Box 2: The Impact of Economic Policy Conditionalities

In Malawi the situation of the poor actually deteriorated because of World Bank economic policy conditions. In 2003 the World Bank proposed a $62 million loan to the Malawian government to fight a major drought and its effects. However, this loan was linked to progress on past loans' conditions on the privatization of public service sectors in the areas of agriculture, telecommunications and energy even though these conditions had evidently further impoverished Malawians. Despite strong opposition by the Malawian parliament, the commercialisation of the public Agricultural Development and Marketing Corporation (ADMARC) was pushed through by the government. This led to the closing of 400 rural markets, resulting in job losses for thousands of people and more hunger and starvation for the Malawian people. An internal World Bank report before the commercialization of ADMARC had shown that this project would have negative impacts on the lives of the poor. However, the World Bank did not make the results of this assessment available to the Malawian parliament or the government.[3]

What is Needed for Aid Policies

Weakening the Effectiveness of Aid

Donors have very strong mechanisms to ensure that their demands are met by recipient countries. However, they are not so strong at meeting their own commitments to improve aid along the principles of the Paris Declaration. The effectiveness of aid has been seriously limited by donors' demands and practices in a number of ways:

- **Imposing high transaction and administrative costs**

  Multiple donor missions and reporting requirements imply huge transaction costs for recipient governments. They often have to focus energy and resources on reporting to donors rather than using that capacity to pursue their own priorities and report to their own citizens. In spite of commitments by donors to decrease the amount of donor missions, joint donor missions are still the exception as developing countries still received an average of over 300 missions from donors in 2005.[8] Donors often demand the completion of their own reporting forms, typically resulting in the recipient government's having to write many different reports each year.

- **Aid flows are often unpredictable and volatile**

  Donors fail to disburse committed money on time, making it difficult for recipients to plan their national budgets. In 11 countries covered in the 2006 OECD Survey, the predictability of aid was less than 50%.[9] Problems with recipients' systems contribute to this problem, but donors must bear the lions' share of responsibility. The amount of aid often varies each year, sometimes with large fluctuations. Aid for countries in conflict has been particularly volatile, often falling in times of emergency when support is needed most.[10] Although donors have committed to improving the predictability of aid, the amount of aid flows into the health sector in countries such as Mali and Liberia, for example, differs so sharply each year that it seriously limits recipients' abilities to plan their budgets.[11]

- **Donors drive technical assistance programmes**

  Recipients' lead on aid priorities is further undermined by the continued use of donor-driven technical

---

Box 3: First Steps into the Right Direction

In May 2007, Cambodian civil society organised for the first time a "CSO Forum on aid" where they invited several donors to scrutinize their aid programmes. The results of this Forum were fed into a newly formed "Cambodia Development Cooperation Forum", a government- led body for consultations with donors replacing the traditional Consultative Groups chaired by the World Bank. However, besides this unique opportunity, citizens, parliaments and civil society do not have much political space to hold donors to account as a recent ActionAid case study shows. Cambodian NGOs also raised concerns about criticising donors too openly as they heavily depend on their funding. In Cambodia, there are NGO representatives in the donor-government joint working groups present, however their impact on holding donors accountable has been questionable particularly due to the lack of clarity about the role of those representatives as development actors or watchdogs.[7]

What is Needed for Aid Policies

assistance programmes where projects are often established independently of recipients' needs and aid money is spent on foreign consultants, training and research. Although it has been shown that the effectiveness of this type of aid has been very low[12], the OECD DAC estimates that technical assistance still accounts for up to 50% of all aid.[13] In the OECD Survey, it emerged as one of "six major priority areas that need the attention of policy makers right now".[14] Southern countries highlighted its supply-driven nature and several countries refused to agree that any donor-provided technical assistance was aligned to their national priorities.[15]

- **Aid is still tied to donors' interests**

  The allocation and disbursement of aid is often linked to donors' foreign policy or commercial interests, and tied to products or consultancy services from the donor country. The tying of aid is estimated to increase costs by up to 30%.[16] The main beneficiaries of this practice are firms and consultants in donor countries. Already in 2001, the OECD DAC issued the recommendation to untie aid. Although many donors committed to untying in general, they still fall short in implementation, excluding key areas such as food aid and technical assistance from agreements and still relying heavily on their own firms. Germany and Spain, for instance, still tie one third of their aid to their own goods and services.[17]

**Key Steps Donors Can Take
to Improve Accountability
and the Effectiveness of Aid**

There is a clear need for reform to improve the accountability of donors and transfer the control of aid from donors to recipients. ActionAid has set out a comprehensive agenda for achieving the necessary reforms at the Accra High Level Forum on aid effectiveness taking place in September 2008 in the report: *"Making aid accountable and effective. An ActionAid Ten Point Plan for real aid reform".* [18] The report argues that significant progress is needed if aid is to play an effective role in reducing poverty. Donors must meet existing commitments but also go much further; particularly by making aid accountable to the people it is meant to help.

We recommend the following steps to make aid more accountable and effective:

A. **Respect real ownership of the development process and end harmful donor practices**

    End economic policy conditions.

    The ownership agenda needs to be refocused on true respect for democratic ownership on the part of both donors and southern governments. Donors need to agree to end all economic policy conditions and reduce the overall burden of conditionality.

    Ensure donors report all aid disbursements in full and in the format required by recipient governments.

    Donors need to ensure they take the actions required to tackle the administrative, technical and political constraints of reporting their aid to recipients in full and in the format they require to integrate this information into budgets.

    Allocate aid in a fair and transparent way according to need and improve aid predictability.

    Governments should agree on effective and transparent international mechanisms to improve aid allocation, ensuring that it goes to those most in

What is Needed for Aid Policies

need and is not misdirected by donor foreign policy objectives.

Ensure technical assistance is truly demand driven and country led.

Donors need to align their technical assistance to recipients' priorities and needs. Recipients need to be given the choice about how technical assistance funds are used. Donors should ensure that all TA is properly co-ordinated among donors. Technical assistance should not be used as a form of conditionality.

End the scandal of tied aid.

Donors need to commit to expanding the agreement on untying aid to all countries and all modalities including technical assistance and food aid. Independently- monitored targets should be set up for translating this commitment into practice.

B. **Improve transparency to southern governments and citizens**

Ensure donors adhere to the highest standards of openness and transparency.[19]

Donors rarely make sufficient information available in a format that is accessible to southern governments and citizens. There is a presumption of non-disclosure of information. Even when information is made available, it is often found in complex technical documents on donor websites and only in English, making it extremely difficult for southern citizens to access. The conditions attached to aid and the findings from evaluation reports are rarely made public. Greater transparency would not only promote aid effectiveness, it could also help citizens to monitor their own governments and provide a standard by

which government transparency can be judged. These standards would include:

- **Adopting a policy of automatic disclosure of all documents, with a strictly limited regime of exceptions.**

  This is consistent with international best practice in transparency and recognises that access to information about the practices of bodies engaged in public service is a fundamental human right.

- **Pro-actively disseminating information in a timely manner, to government and citizens on key aspects of aid, including aid strategies, plans, commitments, disbursements, and conditions.**

  Donors need to recognise that genuine transparency involves making a pro-active effort to put information about aid in the public domain so that it becomes accessible to all, including those most marginalised and distant from aid processes.

- **Inviting recipient parliament scrutiny.**

  If donors were to maintain close contact with parliaments and keep them informed of ongoing processes, then this would encourage parliaments to scrutinise these processes where they see necessary. Donors could produce regular bulletins and organise regular briefings for parliaments, as requested. They should also write to parliaments and their committees, outlining annual plans and offering to make themselves available for parliamentary scrutiny,

What is Needed for Aid Policies

should parliamentarians request this.

Make impact monitoring, evaluation and assessment of aid spent by each donor truly independent and participatory.

Southern voices need to be heard in every assessment of aid and therefore governments and citizens must be included in evaluations. The majority of donors currently monitor and evaluate their programmes internally, without the involvement of independent experts, and are guided by weak procedures for ensuring that findings are acted upon. However, Denmark, the Netherlands and Sweden have established independent evaluation bodies: these good practice examples need to be built upon.

C. **Create and improve answerability and enforcement mechanisms**

Develop open, transparent mechanisms that allow citizens to hold their governments and donors to account for the use of aid.

The concept of mutual accountability should be broadened so that 'country-level mechanisms' for assessing progress become multi stakeholder, including civil society particularly women's rights organisations, parliaments, trade unions and other stakeholders. These multi-stakeholder forums should be open, transparent and regular with real room for citizens of southern countries to hold their governments and donors to account.

Base aid relationships on legally binding aid contracts between donors and recipients.

Although recipient governments commonly make a raft of commitments

to donors in relation to aid, and donors make sure they are enforced through the threat of withholding or reducing aid, donors make few (if any) legal commitments to recipients in the way they deliver aid. Donors need to sign legally binding contracts with recipients outlining their commitments in these areas including guarantees on aid volumes and aid effectiveness. These aid contracts should be consistent with the aid management plans and other development strategies developed by recipient governments.

D. **Create effective international mechanisms for standard setting and oversight of aid**

Move the aid reform process to more representative institutions (such as the UN) than the OECD.

For an effective agenda of aid reform to be realised, the limitations of housing the major international aid effectiveness process in a donor institution – the OECD – must also be addressed. The OECD is in no meaningful way accountable to the southern citizens and countries that aid is supposed to help. The political nature of much of the results of the "2006 OECD Survey on Monitoring the Paris Declaration" – where donors exerted pressure throughout the survey process to bend the figures to improve their performance – highlights this weakness.

Handing over control of the process to a more representative institution such as the UN would signal a clear intent to take accountability seriously. If done in a coordinated manner, such as through the establishment of a UN aid commissioner (see below) it could also help reduce some of the complexity of the international aid system.

In 2007, the UN launched the Development Cooperation Forum (DCF), whose mandate is to monitor international development cooperation initiatives such as the Paris Declaration and promote dialogue and action to achieve progress. This forum has the potential to develop into a representative and open body in which aid effectiveness standards can be discussed between donors and recipients and standards agreed upon.

Improve international enforcement and accountability through establishing a UN Aid Commissioner.

Donors and southern governments should commit to improve international accountability mechanisms. To support the enforcement of international aid commitments, a UN Aid Commissioner and an aid ombudsman should be established. These would be responsible for reviewing progress in implementing international aid commitments, resolve disputes between donors and recipients and take action to ensure that donors and recipients live up to the commitments they have made.

Notes

1 ActionAid International. (2005). Real aid: An agenda for making aid work. p. 38. Retrieved from http://www.actionaid.org.uk/doc_lib/69_1_real_aid.pdf

2 ActionAid International. (2006). What progress? A shadow review of World Bank conditionality. p. 13. Retrieved from http://www.actionaid.org.uk/doc_lib/what_progress.pdf

3 ActionAid International Malawi. (   ). Public hearing on the World Bank Malawi testimony of Collins Magalasi. Retrieved from http://www.worldbankcampaigneurope.org/IMG/pdf/Testimony_Collins_Magalasi.pdf

4 OECD. (2007). Survey on monitoring the Paris Declaration. p.20. Retrieved from http://www.oecd.org/dataoecd/58/28/39112140.pdf

5 ActionAid International Afghanistan. (2007). Gaps in aid accountability. p. 4. Retrieved from http://www.actionaid.org.uk/doc_lib/english_report.pdf

6 See examples in report by Eurodad. (2008). Turning the Tablet. Aid and accountability under the Paris framework. p.24-28. Retrieved from http://www.eurodad.org/uploadedFiles/Whats_New/Reports/Turning_the_Tables.pdf

7 ActionAid. (2007). Making aid more effective? An independent assessment of accountability and ownership in the aid system. Cambodia Case Study Research, 2007. Retrieved from http://www.actionaid.org.uk/doc_lib/cambodia_case_study

8 2006 Survey on Monitoring the Paris Declaration. p. 55.

9 2006 Survey on Monitoring the Paris Declaration. p. 28.

10 Riddell, R.C. (2007). Does foreign aid really work? Oxford: UP. p. 358.

11 OECD. (2007). Development co-operation report 2007. p. 55. Retrieved from http://titania.sourceoecd.org/vl=4497419/cl=12/nw=1/rpsv/dac/index.htm

12 ActionAid International. (2006). Real Aid 2: Making technical assistance work, 2006. p.24f. Retrieved from http://www.actionaid.org.uk/doc_lib/real_aid2.pdf

13 OECD. (2005). Development co-operation report 2005. p113, footnote 3.

14 2006 Survey on Monitoring the Paris Declaration. p. 52.

15 2006 Survey on Monitoring the Paris Declaration. p. 23.

16 UNDP. (2005). Human development report. p. 12.

17 Concord, hold the applause! EU governments risk breaking aid promises. EU Aidwatch Report 2007. p. 13.

What is Needed for Aid Policies

[18]   ActionAid International. (2007). Making aid accountable and effective. An ActionAid ten-point plan for real aid reform.

[19]   Also see the recommendations for standards in the "Charter for International Financial Institutions" by the Global Transparency Initiative which should form the basis of a new agreement by donors to radically improve their transparency and information dissemination. Retrieved from http://www.ifitransparency.org/doc/charter_en.pdf.

Accountability and Managing for Results: Accountability to Whom? Who Holds Whom Accountable?

Ngo Sothath
NGO Forum on Cambodia

Introduction

Each principle of the Paris Declaration is separately and mutually important to achieving the effective use of aid to produce actual results on the ground. Mutual accountability is a significant mechanism through which donors and partner governments commit to being responsible for development results.

However, 'accountability' can mean many things in different contexts and it is important to define it; a key question is always 'accountability to whom?' For example, the donors themselves are accountable to their own parliaments and citizens on the use of their money. On the other hand, the recipient governments are required to be accountable to the donors for the fund and project or program implementation[1].

What can be our understanding of the 'mutual accountability' in aid referred to in the Paris Declaration? The focus here is not so much on who is accountable to whom. The Declaration calls for both the "donors and partner governments to mutually account for development results."[2] Therefore, rather than being accountable *to* someone, it is understood that the donors and partners are meant to hold each other accountable *for* something - in this case, the delivery of aid.

Applicability and Limitation of Mutual Accountability

Whether the mutual accountability of the Paris Declaration is a well-defined principle remains questionable and there is certainly no provision for a mechanism to make the accountability principle work in the Declaration itself. We would suggest, however, that four basic elements are necessary to make accountability work: *commitment; measurement; enforcement; and an enabling environment*. This article will consider mutual accountability in the framework of these four elements (see Figure 3).

1. Commitment to Account for Development Results

A positive element of the Paris Declaration was the recognition from donors and developing country governments of the need to count the actual results on the ground for measuring whether aid achieves its intended goals.

However, it does not go far enough in identifying specific roles for parliaments and CSOs. This has meant that while it highlights the need to strengthen the participation of a broad range of development partners in

What is Needed for Aid Policies

Figure 3. Key Elements To Make Accountability Work

formulating, implementing and assessing national plans/strategies, the parliaments and CSOs have been largely disregarded, allowing the government and donors to avoid public oversight. In Cambodia, despite the clear commitment made in the Paris Declaration to strengthen the parliamentary role in national development strategies and/or budgets, the Declaration of the Royal Government of Cambodia made only more general commitments to strengthen the roles of all stakeholders in the planning and implementation of development cooperation programs - not quite the national plan and/or the budget[3].

Similarly, while the PD commits to the provision of timely, transparent and comprehensive information on aid flow so that partner governments can present comprehensive budget reports to their legislatures and citizens, the Cambodia Declaration is all about transparency and accountability of official development assistance only, not the national budget as a whole[4]. This does not quite amount to mutual accountability on development results,

since ODA comprises only half of Cambodia's national budget.

2. **Measurement of Development Results**

The principle of 'managing for results' suggests the need for measurements to inform result-oriented reporting and assessment of the national plan implementation. Due to the commonly low capacity of partner governments, a manageable number of impact indicators are chosen. However, recipient governments generally fail to develop sufficient input and output (intermediate) indicators to keep track of the progress over time which would allow them to better manage the likely outcomes and impacts. As stated by David Booth and Henry Lucas[5] (odi: 2002, p23) "final outcome data are largely useless for providing the sort of quick feedback on PRSP performance that is most needed for learning and accountability purposes."

There are 43 indicators to guide the monitoring and evaluation of Cambodia's national plan, around 30 of which are final outcome and impact indicators mainly derived from

What is Needed for Aid Policies

Cambodia's MDGs.[6] These outcomes and impacts are hard to observe or measure in the short-term and do not adequately reveal the effects of specific policies or implementation.

Many annual measurements are too macro in level. For example, the indicator measuring total annual expenditure as a percentage of GDP does not paint the picture of whether the budget is spent correctly and most appropriately. The indicators, therefore, leave the government with insufficient information over the intermediate results of its national plan, to be able to adjust the program and plan effectively.

Moreover, of the 43 NSDP monitoring and evaluation indicators, only sixteen are measured by the data collected through the annual tracking surveys of the National Institute of Statistics. The other 27 indicators are largely dependent on administrative data from relevant line ministries[7]. However, due to weak governance in most least developed countries, the administrative data systems are poor. In Cambodia, the public expenditure tracking survey in education demonstrated that the poor administrative data record[8]   remains a major challenge.

Despite the adoption of the NSDP monitoring and evaluation framework, the NSDP claims itself not to preclude the need to undertake participatory approaches for more focused monitoring and evaluation purposes. New and innovative tools, such as citizens' scorecards rating the perception of change and satisfaction with the quantity and quality of different public services, are supposed to be employed to enhance participatory elements and feed voices from the grassroots level into the NSDP monitoring and evaluation[9]. However, this has practically never been observed and Royal Government acceptance of CSO inputs into the Annual Progress Report has been minimal[10].

How participatory the national development plan process is and to what extent the plan takes the voice of civil society into account and responds to the needs of the poor and vulnerable is a level of consideration that the Paris Declaration indicators are not able to track and answer.

3.   **Enforcement of Accountability**

The principle of mutual accountability implies that the donors and partner countries are accountable for development results. However, the key to the accountability mechanism rests on the issue of who holds who accountable, and the declaration shows the limitations of enforceability when two parties of development monitor each other. While governments tend to blame donors for their poor co-ordination and using aid to serve their own interests, the donor groups accuse the governments of corruption and bad governance.

For accountability to work and for aid to have more of an impact on poverty reduction, the presence and acceptance of an independent third party or parties with a monitoring role is crucial. To complement mutual accountability and enforce the commitments made by the donors and partner governments, they should be monitored and held accountable by the recipient citizens and/or their representatives.

Two complementary principles are essential for this accountability to work: (1) country ownership and (2) democratic ownership.

Country ownership implies that partner countries exercise the leadership role in developing and implementing their national

What is Needed for Aid Policies

development strategies. This is essential in ensuring that the governments' primary responsibility is to its own citizens and not to the donors. Furthermore, if the recipient governments are permanently accountable to the donors, then the donors will never exit the country, but leave it forever aid-dependent.

Democratic ownership then means not only that the government is not beholden to the donor, but that it is genuinely accountable to the people. In principle, the government (elected by the citizens) is supposed to serve the interest of the country as well as the people. The citizens are then assumed to receive development services necessary to them and voice their concerns back to the government and demand improved services. The people can hold the government accountable for their policy choices and performance either directly, through civil society organizations representing their constituency, or through the parliament they elected.

Figure 4 represents the framework of ownership that sets out the required relationships of accountability among the development stakeholders both locally and internationally.

Genuine accountability requires transparent processes, access to the necessary information, and citizens empowered to freely exercise their rights and freedom in society. The balance of power between the key development actors (citizens, CSOs, parliament, and government) at country level is important. An effective system and robust mechanism must be in place and institutionalized, owned and exercised by those key actors with donors as facilitators or catalysts on a temporary basis.

Parliaments

The UNDP report (2003a) suggested that the monitoring report of the PRS or national plan should principally be considered as the report to the national audiences, and secondarily to the donors and lenders[11]. Evidenced by a study of the 28 sub-Saharan Africa countries involved in the PRS process, GTZ (2003) found that monitoring and controlling the actions of the executive was one of the fundamental functions of the parliament and was embedded in the constitution of the studied countries[12].
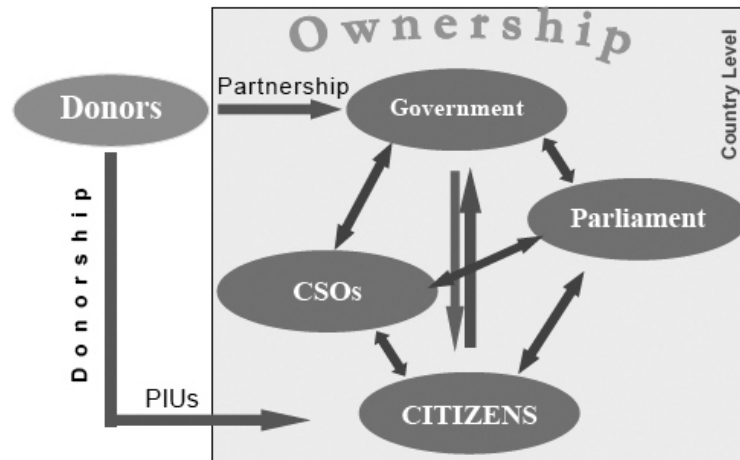
Pain (2003) suggests that "in a truly democratic environment, parliament should be overall responsible for the monitoring of the PRS."[13] It is particularly important to pay attention to countries such as Vietnam, Cambodia, and Yemen where the national plans are expected to be debated and approved by the parliament. Unfortunately, the study by GTZ (2003) also found that despite their legitimate role recognized in the constitution of the studied countries, parliaments rarely exercise effective oversight.

Article 121 of Cambodia's constitution states that: "Members of the Royal Government shall be collectively responsible to the National Assembly for the overall policy of the Royal Government."[14] However, the monitoring and evaluation report framework of the National Strategic Development Plan (Cambodia's PRS) does not identify for whom the report is prepared and accountable to; rather, the document serves as the government's report to the annual aid mobilization meeting between the government and donor community[15].

Confirmed by the government's annual progress report of the NSDP in

Figure 4. Development Framework Towards Democratic Country Ownership

2006, the report is even considered as a 'State of the Nation' annual record and the government's position paper for the Cambodia Development Cooperation Forum[16], which is the Government-Donor High Level Forum for development review and aid mobilization.

This implies that the parliament - which enacted the national plan - either does not formally receive the report from the government or is not authorized to hold the government accountable for it. The donors are supposed to facilitate improvements in governance and overcome any lack of political will for reform. However, despite their commitment to working toward country ownership, the donor community tends to overlook the strengthening of local governance systems. Furthermore, it even disables the country's existing structure by demanding accountability directly from the partner government rather than using existing domestic governance mechanisms.

Civil Society Organizations

While suggesting the important role of the parliament as a key user of the PRSP monitoring information, the World Bank's Beyond the Numbers report (2006)[17] observed that the parliaments in many PRS countries are generally unable to effectively exercise their roles over the executive due to their low capacity and lack of support from analytical and research staff. Therefore, civil society groups are seen as sources of expertise to assist them.

Independent CSOs such as NGOs, media, academia, and research institutes, should be entitled and able to monitor the national plan at the country level. It is observed that in some types of monitoring, CSOs can often do better and be more effective than the government, especially in qualitative approaches such as participatory poverty assessment, service-delivery satisfaction surveys, and citizen report cards[18].

Together with the commitment to work towards participatory and

What is Needed for Aid Policies

> In early 1990s, UNTAC and donors sought to promote the emergence of Cambodian civil society, usually viewed as a set of formal organizations that could mobilize and represent the population and hold the government to account. .... to an extent, such NGOs have been secured a place in the policy process, although their rights to be consulted on legislation and policy are still to a great extent dependent upon their international backing.
>
> NGOs have been reluctant to campaign on political issues, such as extrajudicial execution of political opponents, often leaving these to international counterparts. Where NGOs have become involved in grassroots protest, they have been threatened and their activists arrested. Thus, while government appears content to receive technical advice from NGOs, they have resisted allowing NGOs to take a role as mobilizers of public opinion.
>
> *Source: Caroline Hughes and Tim Conway (odi: Jan 2004). Understanding pro-poor political change: the policy process in Cambodia.*

transparent processes, strengthening the monitoring and evaluation capacities of CSOs is essential for successful independent monitoring of the government's performance against the desired goals of the national plan[19]. This must include the diversity of civil society voices, as recognized in the WB's Beyond the Numbers report (2006, p88).

CSOs intervene to provide space for citizens to participate and hold their government accountable either directly by themselves or through their representatives – CSOs or the parliament. The question of representativeness and legitimacy of CSOs is often raised. However, by definition, CSOs are "all non-market and non-state organizations and structures in which people organize to pursue shared objectives and ideals."[20] Therefore, CSOs are representing their membership and constituency and they are legitimate because it is the people's rights to mobilize and associate among themselves[21].

Citizens/Communities

From a human rights perspective, citizens are the right stakeholders to be protected under the provision of law so that their basic needs are met while the government is the right bearer that must realize this compulsory obligation. In a democratic society, citizens hold their government to account by voting for their political representatives in periodic elections.

In Cambodia, citizens vote for the Commune Council members and representatives to the National Assembly. Once elected, it is expected that the government leaders will formulate policies, design programs and make decisions in accordance with broad public opinion, or at least based on the expressed needs of the people. However, political participation through voting in elections provides citizens with minimal feedback to and influence over decision-makers[22].

Trasmonte Jr (presentation paper, 2004) asserts "people whose lives are affected by a decision must be part of the process of arriving at that decision."[23] The actual and potential service users who are most directly concerned with the availability and quality of a service should be both authorized and encouraged to play a larger role in monitoring the delivery of those services[24].

Unfortunately, the World Bank Development Report 2001 concludes that "from perspectives of the poor

What is Needed for Aid Policies

people worldwide, there is crisis in governance. State intuitions…are often neither responsive nor accountable to the poor, rather the report details the arrogance and distain with which poor people are treated."[25]

Concerns are often raised around challenges to involving communities in the monitoring of service delivery or the national plan, such as processes and community capacity. However, simple instruments have already been developed to facilitate this communication, for example participatory poverty assessments, service-delivery satisfaction surveys, and citizen report cards. These simple tools help provide a picture of reality on the ground.

In Cambodia, Citizen Rating Report (CRR) uses systematic collective feedback from citizens to assess people's satisfaction with social services and other governance matters and demand greater public accountability[26]. Unlike other international experiences with parallel initiatives (such as the report cards of India and the Philippines), the Cambodian model CRR is a localized version, where citizens themselves generate, package and act on the CRR results.

Cambodia's constitution also provides for an annual public forum called the 'National Congress'. This should allow and enable the people to be directly informed on various matters of national interest and to raise issues and requests for the State authority to solve.[27] It is supposed to adopt and submit recommendations to the Senate, the National Assembly and the government for reflection. The Congress should be held annually under the chairmanship of the King and at the convocation of the prime minister. However, this mechanism is not working due to governance issues and the poor functioning of genuine democracy, and

the donor community has never made any effort to activate it.

4. Enabling Environment

To enable commitments to be monitored and enforced, the Paris Declaration notes the significance of transparency in the use of the development resources. The donors commit to provide timely, transparent and comprehensive information on aid flow so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens.

Access to information is key to monitoring and oversight and transparency is about making the necessary information available to and accessible to all stakeholders, including the general public. It is important to note that 'availability' does not guarantee 'accessibility'. Since the government's business is public business - utilizing public resources to produce public goods and services to serve public interests - citizens have the right to be informed. For example, the Cambodian constitution states that "the National Congress shall enable the people to be directly informed on various matters of national interest."[28]

Furthermore, it is not enough for the authorities to make information available and accessible upon request. Information must be made available to citizens without having to be asked for. This also means that information should be made available in an accessible and understandable format.

Recommendations

Overall, the Paris Declaration's principles of mutual accountability and managing for results require the four components of commitment, measurement, enforcement

What is Needed for Aid Policies

and an enabling environment to make accountability really work. However, efforts are still needed to implement effective systems for assessing development results and reinforcing accountability.

1. **Commitment and measurement need to be operational and realistic at the country level.**

    Various global initiatives usually create proposed indicators and targets for long-term impact measurement, which countries generally adopt for their own development purposes and efforts. However, final outcome data do not provide for quick feedback on PRSP performance that would enable effective monitoring and policy improvements. Therefore, the monitoring framework of the national plan (PRS) should be more focused on input and output indicators that allow the government to track the intermediate results necessary to achieve the desired outcomes and impacts.

    Participatory approaches should also be used to better inform the monitoring, particularly to understand the impact of policies on people on the ground, including the most disadvantaged.

2. **Citizens – either directly by themselves and/or through CSOs and Parliament – must be able to hold the government and donors to account for development results.**

    The sense of mutual accountability should not be limited to the principle that the government and donors account for development results, but the question of who they are accountable to must be addressed. The donors and partner government are policy designers, decision-makers, and program implementers and, as such, should both be held to account for the results of their commitments, policy choices, and actions by the citizens and their representatives, the CSOs and the parliament.

3. **The government should be primarily accountable to its citizens and parliament, rather than the donor community.**

    Donors are assumed to work in partnership with the government to bring the poor and vulnerable out of extreme poverty and to empower the country to be able to take the leadership role of their own development. In this sense, the donor community should not demand much upward accountability from partner government, but rather encourage the government to primarily respect and account to its voters.

    The success of the donors' mission should be counted when partner countries can take leadership over their own development agenda in a genuine democratic way where citizens and their representatives are empowered.

4. **Donors should be facilitators and architects of the partner countries' democratic governance systems**

    The donor community should not try to reinvent governance systems which disempower or even disable existing local governance structures and leave the country aid-dependent. Rather, they should use these mechanisms to strengthen accountability to the citizens. For example, donors should encourage the convocation of 'the National Congress' foreseen by Cambodia's constitution to provide a platform for citizens to hold the government to account.

    Furthermore, donors are not just required to work in partnership with the government, but with the

What is Needed for Aid Policies

parliament and the CSOs. Donors should strengthen country governance through a strategy of building the capacity of all key stakeholders, including NGOs and parliaments.

5. **CSOs should be recognized as the government's key partners in policy processes**

   To enable CSOs to play a fully effective role in monitoring policies and their implementation, they have to be recognized as key partners with clear roles in policy processes. Furthermore, all processes must be transparent and necessary information needs to be made publicly available and accessible to them.

6. **The government should be open to participation and public oversight.**

   For them to take democratic leadership over the development process for the benefit of the people they represent, the government should listen to and take into consideration the people's voices. The government should be open to feedback and oversight from the people on their policy choices and action so that they can redirect their leadership towards the country's development and poverty reduction. The government should also respect voters through their representatives – the parliamentarians and CSOs.

Notes

[1] ActionAid. (2007, June). Making aid accountable and effective: ActionAid ten-point plan for real aid reform. p.8

[2] OECD. (2005). High level forum: Paris Declaration on aid effectiveness. p.8

[3] The Council for the Development of Cambodia (2006). Declaration by the Royal Government of Cambodia and development partners on enhancing aid effectiveness. p.5. Phnom Penh.

[4] Ibid.

[5] Booth, D. & Lucas, H. (2002, July). Good practice in the development of PRSP indicators and monitoring systems. Working paper 172: Results of ODI research presented in preliminary form for discussion and critical comment. London.

[6] Royal Government of Cambodia (Ministry of Planning. (2005). National strategic development plan 2006-10. Phnom Penh.

[7] Cambodia: National Strategic Development Plan (NSDP) 2006-2010. (2006). Formulation, monitoring and evaluation process. A report prepared for the Forum on National Plans as Poverty Reduction Strategies in East Asia held from April 4 to 6, 2006 in Vientiane, LAO PDR. Retrieved March 10, 2008 From: http://siteresources.worldbank.org/INTEASTASIAPACIFIC/Resources/226262-1143156545724/Cambodia_brief.pdf

[8] WB. (2005). Cambodia: Public Expenditure Tracking Survey (PETS) in primary education.

[9] Royal Government of Cambodia (Ministry of Planning. (2005). National Strategic Development Plan 2006-10. p.94. Phnom Penh

[10] NGO Forum on Cambodia (2006, May). PRSP and CSOs' Participation in Cambodia. A report prepared for the Routable Discussion on NGO/CSO Experiences in PRSP Monitoring and Advocacy held in Phnom Penh.

[11] UNDP. (2003a). IDS Discussion Paper 382. Research on the current state of PRS monitoring systems. In Lucas, H., et.al., (2004, December). Institute of Development Studies. p.9.

[12] GTZ. (2003). IDS Discussion Paper 382. Research on the current state of PRS monitoring systems. In Lucas, H., et.al., (2004, December). Institute of Development Studies. p19

[13] Pain (2003). IDS Discussion Paper 382. Research on the current state of PRS monitoring systems. In Lucas, H., et.al., (2004, December). Institute of Development Studies. p19

[14] Cambodia's National Assembly. Constitution of the Kingdom of Cambodia. Retrieved March 5, 2008 from http://www.cambodia.gov.kh/unisql1/egov/english/organ.constitution.html

15   Royal Government of Cambodia (Ministry of Planning. (2005). National Strategic Development Plan 2006-10. Phnom Penh.

16   Royal Government of Cambodia (Ministry of Planning. (2007, May). Annual Progress Report 2006 on National Strategic Development Plan 2006-10, p1. Phnom Penh.

17   Bedi, T., et. al., (2006). Beyond the number. World Bank. p.86-87

18   Ibid., p.87.

19   UNDP (2003). IDS Discussion Paper 382. Research on the current state of PRS monitoring systems. In Lucas, H., et.al., (2004, December). Institute of Development Studies. p. 15.

20   Advisory Group on Civil Society and Aid Effectiveness. (2007, June 12). A concept paper on civil society and aid effectiveness. p.4.

21   UN. (1948, December). Universal declaration of human rights. Adopted and proclaimed by General Assembly resolution 217 A (III) of 10 December 1948. Retrieved March 9, 2008 from http://www.un.org/Overview/rights.html

22   Commune Council Support Project (2007, June). A training handbook. Citizen rating report. Promoting good local governance, social accountability, and effective social services delivery in rural Cambodia. p.41. Phnom Penh.

23   Trasmonte, Jr. (2004). A presentation paper. In Commune Council Support Project (2007, June). A training handbook. Citizen rating report. Promoting good local governance, social accountability, and effective social services delivery in rural Cambodia. p.42. Phnom Penh.

24   Booth, D. & Lucas, H. (2002, July). Good practice in the development of PRSP indicators and monitoring systems. Working paper 172: Results of ODI research presented in preliminary form for discussion and critical comment. p. 33. London.

25   World Bank Development Report. (2001). In Commune Council Support Project (2007, June). A training handbook. Citizen rating report. Promoting good local governance, social accountability, and effective social services delivery in rural Cambodia. p.41. Phnom Penh.

26   Commune Council Support Project (2007, June). A training handbook. Citizen rating report. Promoting good local governance, social accountability, and effective social services delivery in rural Cambodia. p. 44. Phnom Penh.

27   Cambodia's National Assembly. Constitution of the Kingdom of Cambodia, article 147-149. Retrieved March 5, 2008 from: http://www.cambodia.gov.kh/unisql1/egov/english/organ.constitution.html

28   Ibid.

Managing for Results and Aid Effectiveness

African Forum and Network on Debt and Development (AFRODAD)

Despite aid's having become a major contributor to many countries' state budgets, and a relative increase in aid flow to Africa, countries remain poor and highly dependent. Even where countries register satisfactory levels of economic growth, this has not been yet able to secure sustainable development, reduce dependency and eradicate poverty. Income distribution presents a serious challenge as the gap between rich and poor both internationally and within African countries has been growing.

One of the key principles put forward to achieve more effective aid is managing for results. The Paris Declaration states that "managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making." This is based on the recognition that it is not sufficient to allocate money to aid projects or programmes; the money must be effective in achieving the goals it is mandated to achieve.

A managing for results approach involves:

    a) defining the results to be achieved
    b) setting up indicators to measure results and outcomes
    c) defining result-oriented assessment frameworks
    d) using the outcomes of the assessment to improve aid delivery

In concrete terms, recipient countries need to improve links between national development strategies (which should set out the results to be achieved) and annual and multi-annual national budget processes (which set out the means to achieve them). They also need to establish the results-oriented reporting and assessment frameworks and to use these to track a manageable number of indicators for which data are cost-effectively available.

Donors, meanwhile, need to align country programming and resources with national development strategies and to rely as much as possible on the partner country performance assessment frameworks. They should also harmonize their efforts in line with these national frameworks and work with partner countries in a participatory approach to strengthen country capacities and demand for results-based management

Within this perspective, the five principles of the Paris Declaration are complementary with each other for the achievement of the results in an effective manner. In other words, to achieve the goals and results that aid is set for, it is necessary to create a common vision about the mission, goals, results, indicators and assessment tools, promote ownership of national development processes, align resources to the countries' priorities and systems, harmonise donors' procedures and promote mutual accountability.

Links Between National Development Strategies and Budgetary Processes

Studies on African countries reveal that governments are taking actions to link

What is Needed for Aid Policies

national development strategies to annual and multi-annual budget processes. The national development strategies are presented in the form of medium or long term plans namely the long term Visions, the Poverty Reduction Strategies, the Government Five-Year Plans, the Sectoral Strategic Plans and the Annual Plans.

Through the PRSP processes, countries define objectives, activities, strategies and expected results/outcomes for the period under consideration. Pillars or clusters are defined to facilitate the grouping of actions to be undertaken for the achievement of certain objectives and results. The MDGs are included in the PRSP exercise through linking long term goals of the MDGs with medium term goals of PRSP which in turn are linked to annual targets. For monitoring purposes the PRSPs are linked to matrixes of indicators to facilitate the assessment and evaluation of the outcomes.

After the planning exercise, government officials engage in a budgeting process with the view to identifying sources of income and allocating resources for different activities as defined in the planning process. Two budgeting tools are used, namely: Medium Term Expenditure Frameworks (MTEF) and the State Budgets (SB).

The MTEF is a fundamental planning tool for the construction of plans and macroeconomic frameworks for the short- and long-term, in which expected resources and expenditure as well as their sources are indicated. Its main objective is to indicate the amount of financial resources needed to implement activities during a medium term (three years) to respond to the policies defined within the government five-year plan and PRSP. On the other hand, the MTEF ensures budgetary discipline so as to maintain budget equilibrium and make budget deficits sustainable.

All countries mentioned the MTEF as an important tool that they use in the budgeting process and for forecasting revenues and expenditure in the medium term. Cameroon is the only country that is still in the process of finalizing its MTEF.

The State Budget indicates the source, amount of resources and their distribution for the implementation of development objectives within a year. The MTEF is the source of information in the formulation of the State Budget and it is updated every year to adjust to changes that may occur over time. All countries under review mentioned that there is an effort to link development priorities with the state budget.

• **Challenge of Participation**

The poverty reduction strategies have the common feature of calling for inclusive participation in their formulation. Nevertheless, participation, particularly at the community level, is still not very well organised. Furthermore, the budgeting exercise is not participatory at all. Only government officials from central, provincial and district levels are involved. Members of parliament do not generally participate in the processes.

Whilst the first generation of PRSPs had a particularly low degree of participation, the second generation is characterized by the relatively increased and wider participation of government officials, civil society organisations, the private sector, and the media. It is hoped that with the decentralisation process underway in different countries, PRSP processes will have greater participation and integration of priorities arising from the district level.

• **Challenge of Allocating Budgets According to Priorities**

The extent to which priorities defined in the national strategies are translated in appropriate resource allocation in terms of their weight in the overall

What is Needed for Aid Policies

budget remains a challenge. For example, in Mozambique agriculture is defined as a priority area because the majority of poor people live in rural areas and their survival depends on agriculture. However, the share of resources in the MTEF and SB do not correspond to such prioritization, with the bulk of resources channeled to education, health and infrastructure. This creates a dilemma, as these areas are also critical to poverty reduction. In this situation, the Mozambican government should seek to mobilize additional internal and external resources to enlarge the portion of funds to all agreed development priority areas.

Donors have a role to play in raising their contribution of aid to countries with similar dilemmas as Mozambique within the ODA commitments. The Word Bank and the International Monetary Fund should revisit their conditionalities on macroeconomic targets to allow countries to make a choice on several alternatives for inflation targets, with the view of accelerating development outcomes. This would allow donors to provide more resources and enable African countries to increase the size of their budgets, and hence, enlarge the proportion of resources allocated to priority sectors.

Results-Oriented Reporting and Assessment Frameworks

In different countries the performance assessment is undertaken through the Performance Assessment Framework (PAF), a tool designed by development partners and governments to monitor progress in aid recipient countries, based on commitments of both donors and aid recipient countries. The results can be processes, outputs or outcomes.

Assessment indicators are generally defined to respond to the concerns of the dominant parties: donors and governments. They both want to see good governance, macroeconomic stability and service delivery, as well as the timely disbursement of resources for their intended objectives.

During the formulation of PRSPs and annual plans, countries under review produced matrices of indicators and tools of assessment to monitor progress towards the achievement of the stated results. The studies indicate that these matrices were used to monitor the implementation of development strategies underway.

Countries under consideration also indicate the existence of Statistical Divisions, Bureau of Statistics or Statistic National Institutions charged with the responsibility of producing information needed for decision making.

- **Challenge of Lack of Capacity**

    The success of any assessment and reporting frameworks resides in the capacity to plan, set results and indicators and define a reliable system for data collection, monitoring and evaluation. A key challenge is the simple lack of human and/or financial capacity to adequately undertake the necessary tasks. Particularly at district level, there is a lack of capacity to adequately identify appropriate results and their respective indicators or to define and use monitoring tools

    There is also an urgent need to strengthen the capacity of national statistics bodies to collect, analyse and disseminate information for public use. Special attention should be given to financial management systems, monitoring systems, public sector reform and legislation. Some countries, including Mozambique, have put in place computerized systems at central and provincial levels for financial management. The challenge is to ensure that conditions (electricity, computers and skilled people) are

What is Needed for Aid Policies

created to expand coverage to the district level.

- **Challenge of Lack of Coordination**

Furthermore, monitoring and evaluation is not always understood in the same way by different government officials at the central, provincial and district levels. It was also indicated that there is lack of coordination amongst different ministries regarding planning and monitoring which leads to minimum or no creation of synergies and does not allow for an integrated approach in data handling and its use for decision-making purposes.

There is also a need to properly define results, goals and indicators to undertake a coherent assessment exercise.

- **Challenge of Evaluating Impact**

Whilst acknowledging that at initial stages the results can mean processes, in the medium and long run they should be products and impact. CSOs particularly think that there is generally a need to refine the indicators to better include the evaluation of the impact. This is essential since it cannot be enough for aid to be evaluated simply against whether it is spent in the way that was expected. Whilst it is important that aid planned for school building is used for school building, it is even more important that this school building leads to improved access to education.

- **Challenge of Fighting Corruption**

Good governance is also an important aspect to consider when looking at performance assessment. African countries have to show leadership in dealing with corruption because all countries under review have a problem with corruption at varying degrees. This could be a deterrent factor for donors' willingness to use national performance evaluation frameworks. In this regard, corruption has to be tackled properly to ensure that donors place a high degree of trust in the national systems and that citizens feel that the management of public good is in reliable hands.

Cameroon has shown a leading role in fighting corruption by denouncing and applying corrective measures to the violators, even if they are high-level government officials.

- **Challenge of Inclusive Monitoring**

Furthermore, it is essential that the evaluations do not rely simply on the views of external consultants or policy-makers. In some countries governments and donors have established Independent Monitoring Groups to monitor and evaluate progress in aid relationships. Cameroon foresees the creation of a unit to fulfill this task. Nevertheless, CSOs and the people most affected by aid policies must be actively involved in assessment and monitoring exercises. In many countries, CSOs are building the capacity of their members and that of communities to monitor and evaluate some key areas of PRSP implementation. The Mozambican Debt Group and the G20 (a national civil society platform for poverty reduction) are both perfect examples of this effort.

CSOs are also calling for the inclusion of different stakeholders - based on professional competence - in the public resources management bodies. At the process level, to encourage better outcomes, numerous CSOs are calling for the level of participation, particularly by civil society, in monitoring and evaluation

processes to be used as an indicator in itself.

For other stakeholders, including CSOs, to carry out their monitoring role, there must be full and open access to information from both governments and donors. This will enable them to make analyses and undertake evidence-based advocacy.

- **Challenge of Using Assessments to Inform Policy**

It is essential that there be a process of using results from the assessment exercise to introduce changes whenever necessary. Otherwise, it would just become an intellectual exercise with no impact on countries' development.

Linking Resources to Results

The Paris Declaration principles encourage donor countries to link their resources to results and use national assessment performance frameworks. In the countries under review, there was an effort from donor countries to link their resources to results. This was done by supporting the state budget that is aligned to the results defined by partner countries through their poverty reduction strategies. This can also be confirmed by donors' country assistance strategies which are shifting towards a result orientation.

However, sometimes their results differ slightly from that of partner countries because they push for their own interests.

- **Challenge of On-going Conditionalities**

Donors continue to use conditionalities as results to be achieved by partner countries. For example, when the World Bank imposes the privatization of certain companies within a time frame, this becomes a result to be achieved

by the government. However, this privatization may not be desirable for the partner country as it could lead to massive unemployment and poverty among the displaced workers due to lack of absorptive capacity in other areas.

This practice is clearly against the end result of reducing the number of people living in poverty and must be seen as contrary to the intended direction of the Paris Declaration.

- **Challenge of Using Coherent Indicators**

The Performance Assessment Framework is a joint assessment tool for both government and donors. The use of this tool is encouraged to all donors channeling their resources to the state budget. However, donors also use their own assessment frameworks for the evaluation of progress on stand alone programmes and projects either individual or collectively. For the evaluation of the World Bank Country Assistance Strategies specific projects, for example, the Bank includes other indicators that respond to its own interest.

In Mozambique, for example, there is a concern regarding lack of correlation between PRSP matrix indicators with those from the new Country Partnership Strategy (CPS).

- **Challenge of On-going Project Aid**

Efforts to develop effective results-based aid strategies are impeded by the continued proliferation of project-based funding, usually requiring the use of separate cycles and use of individual and/or collective performance assessment missions to evaluate progress regarding their interest. Parallel implementation units are often found across a range of sectors to implement stand-alone projects.

What is Needed for Aid Policies

It is difficult to measure the extent to which resources channelled from donors to specific projects respond to national priorities. Additionally, there are donors who do not declare their medium-term financial commitments. This leads to lack of accuracy in the formulation of countries' Medium-Term Expenditure Frameworks.

Conclusions and Recommendations

There has been progress in Africa at laying the foundations to shift from input- to result-oriented programming, putting in place matrix indicators and assessment performance tools to monitor the implementation of development plans, formulating medium-term expenditure frameworks, starting to align resources to national development priorities, and accepting the use of national assessment systems for resources channelled to the state budget.

However, despite this effort, there are some major challenges to the successful implementation of a managing for results agenda that would seriously contribute to achieving effective development. These challenges are addressed in the following recommendations

Donors should:

- Accelerate the process of aligning programmes and resources to countries' development priorities and strategies, which should also contain an aid exit strategy.

- Provide information on their financial contribution to allow countries to plan for MTEF and the annual budget

- Channel more resources to the state budget to allow governments to align resources to development strategies and priorities oriented to results

- Whenever possible, use countries' assessment frameworks for result-oriented monitoring and evaluation and avoid parallel evaluation systems

- Contribute to countries' efforts at strengthening their capacity to formulate result-oriented planning and the corresponding systems for monitoring and evaluation

- Accept and support the notions of South-South cooperation and provide resources for South-South technical assistance to meet the human resources capacity in African countries.

- Harmonise assessment indicators with those of the government PRSP vs CPS (Country Partnership Strategy)

- Support statistical bodies either financial or technically

- Pay salaries for African government employees as part of Budget support rather than fencing it out.

- Harmonise monitoring and reporting procedures and undertake joint evaluation missions, while strengthening government procedures and assessment frameworks

- Make information available to civil society organisations, the private sector and other interested parties

- Provide technical assistance and support government capacity-building efforts based on national priorities.

Partner country governments should:

- Ensure that the formulation of development strategic planning is undertaken in the best participatory way possible - within this stage, there should be ample dialogue regarding development objectives, strategies, indicators and evaluation tools and mechanisms.

What is Needed for Aid Policies

- Ensure that statistical bodies are operational and data is used for decision- making.
- Refine result-oriented indicators to include qualitative outcomes
- Improve the linkage between national development strategies and annual and multi-annual budget processes in terms of priority areas and weight in the overall budget
- Increase internal resources to reduce aid dependency and improve the ownership of development processes
- Create a dialogue platform for public resource allocation and management
- Formulate and implement reliable public resources management systems at all levels
- Improve and effectively use result-oriented assessment and reporting frameworks
- Strengthen the capacity of statistical bodies and use data for decision-making
- Promote the culture of monitoring and evaluation at all levels
- Engage in good governance as defined in this document
- Increase efforts at tackling corruption
- Go beyond the present development paradigm by defining policies and strategies that truly tackle the root causes of poverty.

Civil society should:

- Participate in the definition of result-oriented indicators and assessment frameworks
- Strengthen their capacity and participate actively in assessment exercises within the context of joint reviews

- Advocate good governance from governments and donors and apply the principle of good governance in the sector
- Advocate the establishment of an institutionalised and inclusive dialogue platform for public resources management
- Build the capacity of communities to participate in planning, monitoring and evaluation exercises for result-oriented outcomes
- Disseminate information on the Paris Declaration
- Challenge governments to re-think the present development model and to discuss the real causes of why aid is not yet effective, thus failing to achieve its ultimate goal. Questions should include:
  - Why are countries trapped in the vicious cycle of aid dependency?
  - Are the present development strategies geared towards sustainable development, poverty eradication and aid independence?
  - Is it possible to eradicate poverty? If yes, why are countries limiting themselves to producing and implementing poverty- reduction strategies?

Donors and recipient countries should actively encourage, facilitate and fund the central role of CSOs in the development agenda. The main roles played by CSOs as development actors, as well as the conditions necessary for their effectiveness, must be recognized in the action plans for aid effectiveness.

National Democratic Appropriation in Latin America and the Caribbean

Mauricio Gómez Lacayo

Country Ownership - The LAC Perspective

Some of the richest processes of national and regional dialogue and negotiation in preparation for the 2nd High Level Forum (HLF) on aid effectiveness in Paris - where the Paris Declaration (PD) was agreed - were in the Latin America and Caribbean region (LAC).

LAC countries responded seriously to the 1st HLF in Rome in 2003 where it was clear that the recipient countries should appropriate their own development initiatives[1] to break old patterns of cooperation that were resistant to change. Since it would be necessary to strengthen the recipient countries' voices and manage to promote and diffuse their best practices, they started an interesting preparation and exchange process to better position themselves in the face of the Harmonization and Alignment (H&A) process.

Preparatory meetings offered spaces to find shared positions and reach consensus between recipient countries before facing joint forums on aid effectiveness with donor countries and international organisations. The LAC country governments emphatically supported the participation of Civil Society Organizations (CSOs) as necessary for the process towards the 2nd HLF.

Fourteen partner countries met in Managua, Nicaragua in October, 2004 and produced the   Joint Declaration of Partner Countries of the OECD, which recognized

the need to "*continue strengthening and bettering our governability, plans and budgets, in order to make them transparent and results-oriented, now that we believe that proposed changes to development aid are the best way to advance better aid effectiveness, reduce poverty and promote sustainable development in our countries.*" At the same time they stressed the importance of ownership and national leadership of the development aid effectiveness process.

The forum and the document that came out of this event were an important step for the LAC countries present because they arrived at the 2nd HLF in Paris better prepared, united and determined to raise the voice of partner recipient countries and the topic of national democratic ownerships. They also launched a webpage for partner recipient countries[2] to facilitate virtual communication between recipient countries. In addition to putting the documents from the forum online, it included case studies and best practices.

In that same year, there was a LAC preparatory meeting in Tegucigalpa, Honduras under the auspices of the Inter-American Development Bank (IDB), with the goal of a wide and representative discussion for regional preparation for the 2nd HLF that would be held in Paris at the beginning of 2005.

Unfortunately, the OECD delegated regional banks as the hemispheric forum coordinators, without assuring that they

had the necessary personnel, knowledge, capacity, trajectory or broad-based experience in H&A. Recipient countries did not have control or voice in the preparation of the event and the IDB chose who to invite, the agenda, the presenters, the times and forums for participation. They also controlled the themes of the work groups and assured the edition and conclusion of the reports and notes from the event.

The IDB invited government representatives to this meeting, but no CSOs or members of parliament, with the exception of regional countries that chose to invite national CSOs. This affected national and CSO initiatives in the promotion of democratic ownership and has inhibited, on occasion, truly consultative processes with a grassroots perspective and CSO participation within the recipient countries.

The Paris Declaration

Unfortunately, when the LAC countries arrived in Paris they realized that despite having filled important positions as members of the Working Party on Aid effectiveness of the OECD[3], and the Joint Venture on Monitoring the Paris Declaration[4] the documents for the discussion groups had already been significantly advanced and there was limited space for partner recipient countries to amend them.

Despite the concerns of the LAC partner countries with respect to the inclusion of the CSOs in the process towards the Paris Declaration, the OECD asserted that development aid effectiveness is based on an intergovernmental framework between donors and recipient countries.

The 2nd HLF was held within this vision and produced the PD, which is a declarative instrument with important central principles such as how to improve aid effectiveness, but does not sufficiently consider civilian voices individually or collectively and does not focus on poverty

reduction within the framework of the completion of the *Objetivos de Desarrollo del Milenio* (ODMs) (Millenium Development Objectives).[5]

In spite of having put on the table, insisted, and repeatedly expressed in documents from distinct recipient country preparatory processes, especially by LAC countries, the importance of CSO participation in aid effectiveness processes, the PD did not include this topic to the necessary extent.

The goals and indicators in the appendix III of the PD[6] also do not take into account the measurement of ownership and leadership by residents or CSOs. Additionally, they do not discuss how to guarantee political, economic and social rights in connection with the social well being of the majority populations that have historically been excluded from development.

Although LAC CSOs participated in the assemblies and working groups of the II HLF, as did some members of parliament from different political parties in the region, their comments were not included in the final declaration, given that, as previously mentioned, the forum format and the prior methodological preparation of the declaration document did not allow enough space to discuss topics that were not previously agreed upon.

One could conclude that the CSOs were invited to provide the rubber stamp of approval but without a voice in the process. Consequently, in international forums they are called to exercise ownership without democratic participation, which is equally applicable at the country and regional levels where they work, given that at the national level the same donors reproduce the same practice and sometimes even recipient countries are complicit when they encourage consultations that are not participative and do not include a grassroots perspective, and later try to validate their work with a participation process that is neither real nor effective.

What is Needed for Aid Policies

Towards Accra

In spite of its deficiencies, the PD should be recognized as a welcome step as part of an on-going process. It represented a substantial advance from the 1st HLF held in Rome in 2003, where donors, recipient governments, and multilateral organisations met only to hear cooperation's best practices. The result of that forum was merely a declaration of best intentions[7] that lacked teeth to ensure its applicability.

In the follow-up and monitoring of the PD, the LAC region held a preparatory forum in August 2007 of the seven[8] partner recipient countries that signed the Declaration in Managua.[9] This served as a regional preparation and consensus-building process for the regional follow-up and monitoring of the PD in Santa Cruz de la Sierra, Bolivia.

Out of the Managua meeting emerged the 'Common Position Document of the First Meeting of the Associated Latin American and Caribbean Countries of the DAC of the OECD, signers of the Paris Declaration: Taking the Initiative. As in previous declarations, the LAC countries again recognized the importance of CSOs in effective international cooperation development processes. They not only recognized the role of CSOs, but also made recommendations to strengthen their participation and insert them as partners in the development process.

Unfortunately, in the Regional Forum of Santa Cruz de la Sierra held in October 2006, the same inconveniences emerged as in the preparatory meeting for the 2nd HLF in Tegucigalpa. Again the IDB took the lead role and proceeded to elaborate and translate their own report, negating again the voices of the recipient countries. The partner recipient countries' desire to base it on the Managua Common Position Document was not taken on board and discussion in the work groups and open sessions of this Forum was notably sterile.

Representatives of bilateral and multilateral donors who did not have knowledge or information about H&A in aid effectiveness participated, whilst neither CSOs nor members of parliament were invited. Some countries that had included members of CSOs and the parliament in their national H&A processes brought national CSO representatives as guests.

Also in Managua, in October 2007 there was a LAC regional forum about CSO participation in development aid effectiveness. The goal of this event was to sustain a meeting between recipient governments, international partners and CSOs to discuss how to better insert the latter into the harmonization and alignment processes of international cooperation. This was one of a series of sub-regional events held across the world to prepare clear positions for the 3rd HLF, in Accra, Ghana.

In turn, this regional meeting was preceded by national meetings in Bolivia and Nicaragua and later in Honduras, that served to raise consciousness about CSO participation in national H&A processes and to form national positions for the LAC regional forum. Preparation for participation was also facilitated by the circulation of a base document providing CSOs with the necessary information on harmonization, alignment and aid effectiveness.

There was some discussion space between the CSO and the governments and donors during this process and lots of time dedicated to an exclusive discussion between regional CSOs that facilitated the dialogue and negotiation of common positions on the PD. One of the most important achievements in the preparation process was the opening of an analysis, dialogue, and negotiation space starting from a redefinition of the PD concepts and how they are applicable to the CSOs.

• **Ownership**: From the CSO perspective, ownership is defined as organizations' contributing to the strengthening of local, sectoral and national development processes, achieving voice

and developing capacity in the promotion of participative processes for sustainable, grassroots development and consensus policy implementation that benefits the majority.

- **Alignment:** In the case of CSOs, alignment could be translated as how to support policies, plans and strategies considering that in many cases this could mean promoting action lines that do not necessarily coincide with the government.

- **Harmonization:** Harmonization, for CSOs, means that they are willing to work together among themselves and with official donors in order to reduce the transaction costs and be able to implement their resources more efficiently, effectively, and with greater impact on the most needy.

- **Results-Based Management:** Similarly to governments, it is important that CSOs can work in a coordinated manner to be able to measure if the resources for development are effectively playing a role in the reduction of poverty and affecting economic growth.

- **Mutual accountability:** On this principle, which has been seen as a two-way process between governments and donors, there should be consideration of the participation and important role of CSOs in re-enforcing the democratic and national aid effectiveness processes, making sure that the donors fulfil their national-level commitments and that the government demonstrates results to the beneficiaries. This is one of the most fundamental points to consider in the insertion of civil society in all of the dimensions of the H&A process.

The CSOs concluded that: "We have participated in different Harmonization and Alignment forums and we see it as positive

that the government assumes the leadership of this process, but the participation of non-governmental and civil society organizations has been weak and fragmented because the proposed participation mechanisms have been neither systematic nor stable, with an unequal participation of [official bodies].... [and] a lack of information about the process.[10]"

On the positive side, the recent creation of the Advisory Group[11] in the OECD CAD opens space for dialogue around how to insert CSOs in the evaluation process of the Paris Declaration before the 3rd HLF. The Advisory Group (AG) has at least introduced a paragraph in the Accra Agreement for Action (AAA) that recognizes the consultative work done up until now, and sees civil society as a development actor with full rights and as a part of the architecture of development aid.

However, one of the principal objectives of this process, from the GA perspective, is to gather and systematize CSO best practices to be officially presented in Ottawa and later in Accra. This brings us to deduce that even though there are opportunities and good will from the GA, the space for the participation of the CSOs in the 3rd HLF is still limited.

There is therefore a strong risk that the participating organizations may feel that their objectives are not being met, which could create a sense of frustration. Accra will have to be evaluated on whether it allows both partner recipient country governments to raise their voices and true participation by recipient country civil society organizations for improved official development aid effectiveness.

Conclusions and Recommendations: Promoting the Participation of CSOs

It is clear that the role of the general population and the CSOs in the county ownership process is essential and should be articulated with the government and state institutions, and coordinated with

What is Needed for Aid Policies

local authorities and participation spaces. Forced, top-down processes that do not count on the ownership and approval of the population cannot have the necessary support to be effective and may run the risk of being modified with any changes in political leadership.

Although the experiences of the different LAC processes and in preparing for the High Level Fora on aid effectiveness have left great richness that can serve as examples for other regions, they also reveal that there are still great challenges to achieve national democratic ownership where CSOs can have enough influence to change the way that development cooperation is run.

Despite the creation of an Advisory Group for the Aid effectiveness Working Group of the OECD-CAD, and a presentation space in the III HLF in Accra for best practices, it is still not clear what more will be achieved apart from a parallel process that results in a paragraph of recognition in the Accra Forum; the 3rd HLF does not plan to produce a new declaration.

- all parties involved in international cooperation must start by recognizing that there are efficiency, effectiveness and impact problems with current aid policies and that they must positively promote changes and transformation. Analysis of the Paris Declaration should not be limited to issues of aid management. There should be a critical evaluation of all of the content and aims of development policies.

- recipient and donor governments should place the promotion of rights and tackling of poverty at the center of their actions if they really want to see democratic ownership in Latin America and the Caribbean countries

- bottom-up processes with a grassroots perspective are fundamental in relation to the respect and promotion of political, economic and social rights with the clear goal of poverty

reduction through sustainable and equitable economic development.

- furthermore, democratic ownership improves the stability and sustainability of development efforts, since all the stakeholders, including CSOs, parliaments and governments jointly guarantee the process.

- international partners, as key actors in the process, should promote the representative and participative approach to democratic national ownership.

- CSOs must be effectively recognized as development actors by national governments, donors and multilateral institutions and brought into the policy-making processes

- revision of the Paris Consensus should include reference to the participation of CSOs and organized communities - as well as legislative assemblies - as a fundamental aspect of the implementation of the principles, objectives, goals and indicators.

- the presence of social organizations and CSOs in world summits and fora enriches discussions

- all methodologies and processes must be fully open and transparent so that CSOs can engage fully and raise their voices to promote clear and relevant ideas

- recipient governments should lead the process, however, this leadership must be supported by parliaments, congresses or legislative assemblies responding to existing participative processes both centrally and locally

- constituents must be strengthened in their right to organize and use their political, economic and social rights through participation, and, at the same time, be sovereign guardians over the use of power by the authorities

- there should be balance of power between the different authorities,

particularly between the legislative branch and the executive branch and between levels of government, so that local needs are effectively tackled

- democratic ownership should be free from the imposition of international prescriptions, hindrances or conditions bilaterally or by multilateral financial organizations, which ignore the realities and requirements of the local population
- the agreements regarding policies and plans with state institutions and civil society must be a basis for dialogue and negotiation with the cooperation community and must prevail over any other agreement.
- donors should align their policies with those agreed through democratic processes in the recipient country in accordance with their actors,

institutions, culture and practice, without external pressure that may distort.

- more training is needed amongst the development partners around harmonization and alignment
- development partners must support capacity- building in recipient countries to relieve them of their dependence on aid and to strengthen their ability to set their own intellectual, technological and procedural direction free from distortion by donors
- Working together with CSOs is essential, but without losing sight of the autonomy of the actors and the logic of their action. Organizational and civil society actions in development aid should not be governmentalized.

Notes

[1]   As seen in paragraph 9: "We urge associated countries to design, in agreement with donors, national, balanced action plans that include clear proposals as a basis for follow-up in order to balance the development aid…"

[2]   Retrieved from http:// www.partnercountries.net/2004/

[3]   The Working Party on Aid effectiveness is under the Development Aid Committee of the OECD.

[4]   In the PD, this group became the monitor of the implementation of Apendix II of the declaration, in charge of the monitoring and advancement phases.

[5]   Retrieved from http://www.un.org/spanish/ millenniumgoals and http://www.un.org/ millenniumgoals/

[6]   The appendix III of the *Declaración de París* includes 12 indicators that measure the effectiveness of the development aid in three phases, the first in 2005 to establish a baseline, and the other two in 2007 and 2009.   These polls are intended as sensors of the advances and challenges of the process started by the Paris Declaration and evaluate these advances in the middle term so that in the III *Foro de Alto Nivel* there can be another round of evaluation.

[7]   The Rome Declaration on Harmonization was adopted February 25th, 2003 with the support of the Monterrey Consensus. Retrieved from http:// www1.worldbank.org/harmonization/romehlf/ Documents/languages/ESRome_Declaration.pdf

[8]   Bolivia, Guatemala, Honduras, Nicaragua, Peru, Dominican Republic[9] This meeting also included the participation of representatives from the General Secretary of the Central American Integration System (SICA) and the Caribbean States Association (AEC), who met in Managua August 30, 2006 to prepare a common position in relationship to the PD agreements.

[10]   A statement from civil society organizations at the 5th Cooperation Coordination Forum held in October, 2006.

[11]   The *Grupo Asesor* (Advisory Group) is a multilateral group with 12 members: three representatives from partner countries, donors, CSOs from developed countries and CSOs from developing countries. The *Grupo de Trabajo sobre la Eficacia de la Ayuda* (Working Group on Aid Effectivenes) established this group and it will be functioning at least until the III HLF in Accra in 2008.

International Development Cooperation: A New Global Public Good

Rubén Fernández
President - Corporación Región[1]
Coordinator of the Working Group on International Cooperation- Alop[2]
Translation: Suzanna Collerd
Medellín, March, 2008

The increasingly globalized world has seen international borders broken down by new forms of communication and the flow of economic capital. However, cultures, populations, political ideas, and social movements are also involved in and affected by the construction of a new globalised map wherein lives and conflicts unfold. Debates around international relations and aid are affected by this globalization of ideas and cultures.

This article will accept a distinction made by the Brazilian Renato Ortiz. He says, "I prefer to use the term "globalization" when I refer to the economy and technology... I reserve the term "*mundialización*" [worldization] for the specific domain of culture."[3] In this context, it is important to understand that "the '*mundialización*' of culture... corresponds to a real, transforming process in contemporary societies."[4]

A good part of, or even all, contemporary processes are marked by this characteristic of our present world, provoking different ethical or political positions in response. Many CSOs keep a distance from the dominant expressions of *mundialización* and globalization because we understand them as, in essence, unjust; but this does not mean that we accept the arguments of those who struggle against globalization as a whole. As Amartya Sen puts it, "this is not about throwing out global economic relationships, but rather achieving a more just distribution of the immense benefits of globalization."[5]

International Development Cooperation is one of the global relationships that must be rethought with the lens of greater global justice. This cooperation, in its many expressions, is a dynamic that was hatched in "another world" that no longer exists. We come together from Latin America, as social movements, world citizens, governments and all kinds of actors touched by cooperation, to make International Development Cooperation compatible with a just *mundialización*.

This text looks at how Development Aid in the context of 'mundializacion' has become a lever (and sometimes a club!) that nation states use to promote their foreign policies. It proposes that a reconstruction of the grounds and principles for action - such as redefining the roles of distinct actors - is not only a legitimate but also an indispensable task. Its thesis is that all Development Cooperation (official and private) should be considered a new "global public good" used to resolve global problems and preserve other global public goods.

What is Needed for Aid Policies

Public Goods

Among the resources available to humans for the development of their activities and realisation of their goals, there are many that have the special nature of not belonging to anyone in particular, but rather to all. Sometimes, these resources are as concrete and vital as air and sometimes they are equally important, but immaterial, goods such as the shared wisdom and knowledge of a society or culture.

According to the Italian philosopher Norberto Bobbio, "'public' means two things: it is the opposite of 'private'… or it is the counterpart of 'secret', where it gains the meaning of belonging, such as the 'public thing', the 'State'."[6] The philosopher Nora Rabotnikof speaks of three meanings of public: "1) what is of common interest and utility …vs. that which refers to individual interest and utility; 2) what is visible and happens during the light of day…vs that which is secret, reserved, hidden; and 3) what is of common use, accessible to everyone and therefore open…vs that which is closed, and unavailable to others."[7]

These goods have unfolded normally in local spheres and, in the best of cases, on the national level as well. But recently, a new kind of public good has been recognised that is considered as belonging to all of humanity or even as pertaining to the world-system, including all of the lifeforms therein. This notion has emerged thanks to a better understanding of the deep interrelationships between different parts of the world that bear no correlation to the arbitrary divisions and borders that separate countries. We now know that resources such as the Amazon Jungle, the polar glaciers, the River Ganges, the coral reefs, the Gulf Stream, the atmosphere and all the many ecosystems that regulate critical variables such as global temperature, rain seasons or the availability of fresh water must be guarded like treasure.

Furthermore, there are cultural constructions - immaterial goods - that also belong to all humans as a group and not just this generation. They range from the wisdom of indigenous peoples of the Mexican Lacandona Jungle to literature and cinema and from languages to the Universal Declaration of Human Rights. However, International Development Cooperation has an interest in, and has acted upon in diverse, sometimes contradictory ways, a group of public goods that should catch our eye.

Personal freedom is consecrated in the constitutions of almost all countries and gives a foundation to the Universal Declaration of Human Rights ("All human beings are born free and equal in dignity and rights.") It is not a stretch of the truth to say that when one human being's freedom, anywhere in the world, is threatened, everyone's freedom is at risk. We can value development itself as an instrument in the expansion of human freedoms: "The instrumental role of freedom is the form that it contributes to the spreading of different rights and opportunities in order to guarantee freedom for all, and, therefore, to promote development."[8] Today, however, many cooperation funds go to projects or organizations that fail to promote forms of freedom or that even generate more dependence than autonomy. A classic example is a project that included the mandatory use of refrigerators produced in a European country that required an outlet with 220v; after their purchase, they were of no use in the developing region where outlets are all 100v.

Biological diversity is another good that, if not adequately cared for, will negatively affect the entire planet, giving humanity fewer options for survival. The ruthless, massive destruction of the biodiversity of the Amazon jungle is not just a problem solely of the lumber industry or Brazilian settlers. The enormous substitution of tropical jungles with coca plantations and the aggressive eradication methods that

What is Needed for Aid Policies

damage the environment are not problems for Andean governments alone. Each human being has an interest in the preservation of this diversity and International Development Cooperation has a clear responsibility here.

Cultural diversity is also a public good seriously threatened by the dominant expressions of globalization. In a recent text, Amartya Sen pointed out that, "The insistence, even implicitly, on a singular human identity, without choice, does not only diminish each of us, but also makes the whole world more explosive. ...the principal hope for harmony in our tormented world resides in the plurality of our intersecting identities."[9]

Democracy is another public good with enormous value to humanity. With all of its imaginable peculiarities and versions, imperfections and broken promises, democracy is still the political option that best allows us to surpass tyranny and establish a sovereign state where power is delegated. Democracy, as an institutional environment, is where human rights can best become a reality.[10] Out of habit, this good has been delegated to political parties and states when the responsibility of caring for and deepening democracy should belong to each citizen (where it already exists) and to all of humanity (where it does not and there is some form of dictatorship). International Development Cooperation has been contradictory: historically they have given decisive support to NGOs in the Southern Cone for the struggle against dictatorships based on the doctrine of National Security, but are also present in Africa, Asia and Latin America, pressing governments to adopt policies to reduce the state, which undermines fragile third world democracies.

Of course, the absence of **peace**, that great public good, threatens the existence of all other goods. We can find experiences of genuine cooperation that encourage political agreements between armed groups at war, but there are also bitter experiences of cooperation that exacerbate conflicts.

As well as global public goods, there are also global public problems that need addressing. Old problems such as poverty and inequality,[11] discrimination against women and environmental irresponsibility are now developing new understandings. In many regions of the world, development models are inadequate and unjust both because they do not resolve the problems of poverty and because the production of goods and services damages the environment.

Responsibility for public goods

The above mentioned public goods are closely interconnected. To take care of one of them - if it is appropriately done - is to take care of all of them, and contrarily, carelessness with one is negligence of the whole. In this context, care for global public goods is clearly an issue of survival for the human species, nothing more than an intelligent attitude of self-preservation. This can even be a cooperative attitude, based on an understanding of co-responsibility for our common future. The Brazilian thinker Boff, says it well: "There is an urgency of a new civil *ethos* that permits us to make the qualitative jump to more cooperative forms of coexistence." (Boff, 2002. 26)

A new way of understanding the current globalised challenges facing humanity is provided by the "Right to Development" as set out in the United Nations declaration of 1986, which: "*Recognizing* that development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population... [and] *Considering* that under the provisions of the Universal Declaration of Human Rights everyone is entitled to a social and international order in which the rights and freedoms set forth in that Declaration can be fully realized... *Proclaims...*[that] the right to development is an inalienable human right by virtue of

which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized."

However, in terms of the practical development of this cooperative approach and who is ultimately responsible for the protection of global public goods, the international scene is ambiguous and there are as many reasons for skepticism as optimism. Today, international institutions have been severely weakened by unilateral policies that seem like something from the past. Furthermore, at nation-state level, their legitimacy and capacity to govern is being eroded on multiple fronts.[12]

Since a public good does not belong to anyone in particular, it can be taken care of by an individual or a state. There is no problem as long as responsibility is delegated carefully and transparently. The municipal budget of Latin American cities is a clear example. Local authorities administer these funds and make decisions about their destination in accordance with previously established rules; any citizen should be able to know how and where the money is spent. Another type of case is the owner who has a river flowing through his land. Society delegates this person to take care of this resource not only for his own benefit, but also for the benefit of the greater community; this person cannot do whatever he wants with this water.

In accordance with a new "*mundializada*" vision of reality, there is a risk that problems, which could previously be resolved with local efforts and external support, can rapidly become threats that transcend borders. Whilst in many cases national states may continue to take care of the most significant goods, there will almost certainly be more and more serious disputes.

There is therefore a difficult but indispensable tension to maintain: make clear the responsibilities of nation-states, and, at the same time, locate them in a

global understanding. There are also key issues around the relationships between the places that enjoy an abundance of resources and wealth and who have enormous responsibility in the production of solutions to global problems and the poorest, disregarded masses of the globe.

The United Nations (given its weakness and dependency on governments) is not capable of assuming the responsibility for these resources, and any one nation, as powerful as it may be, is even less so. Of course, there is also the opposite tendency to try to privatize any of the mentioned public goods. Some are already talking about buying the drinking water in Chile to sell in Japan and there have been several cases of laboratories from the North patenting medicinal plants that have been used by local indigenous communities for hundreds of years. This tendency must be recognized as an absurd suicide in the long-term for purely short-term economic gain.

We must all, including International Cooperation, if it wants to be genuine, focus energies on distancing ourselves from this tendency. The new "stewards"[13] of global public goods must be a combination of states, international organizations with governing capacity, global social CSOs, movements and local agents.

We will continue to be subject to "international treaties" (that are basically between states). However, the most interesting trend is that civil society organizations, CSOs and social movements of all types and from all places are active participants in the construction, implementation, and evaluation of these agreements. The 2006 Reality of Aid report pointed out that "Civil Society Organizations (CSOs) have a crucial role to play in aid effectiveness especially in the area of advocacy and monitoring. In most recipient countries to date there has been little or no collaboration between governments and CSOs in trying to make aid effective under the *Paris Declaration*. At the same time, there is a general recognition that the *Paris Declaration* is a crucial component of a

What is Needed for Aid Policies

larger aid effectiveness agenda that could engage civil society actors in a more direct manner."[14]

International Development Cooperation

It is clear that IDC can stubbornly continue to be tied to an anachronistic view of the world and be seen as a weapon for achieving foreign policy objectives, or it can become an increasingly useful tool, privileging support for the "Right to Development" of all of the world's people.

Brian Tomlinson of the Council for International Co-operation (CCIC) argues that: "In a rights framework... human rights obligations of status should establish the principles and standards for monitoring donor progress in the aid system [Reality of Aid, 2004]. The 2000 UNDP Human Development Report affirmed this approach by calling for a "rights ethos for aid" as the basis for empowering people in the fight against poverty [UNDP, 2000, pp. 12, 119]. Understanding the effectiveness of aid in international cooperation cannot therefore be separated from this 'rights ethos'."[15]

The proposal of this paper is to understand IDC as a public good, dedicated to contributing to the resolution of global problems located in different parts of the planet and to strengthening the care of global public goods. Clearly the administrators of this public good will continue to be predominantly nation-states. The largest resources have tended to come from northern states that allocate a small portion of their budgets to "Official Development Aid."

Nevertheless, there is a long history of private organizations with different religious, cultural and political standpoints that raise money in different ways and donate to groups in need. These resources are not comparable in quantity to those sent by states, but are key, especially in impoverished regions. There is an immense experience of solidarity between small populations in the north and south (that have common ancestors or family members, for example), or between parishes that collect money and then send it directly to a priest in a forgotten town; this is Private Development Aid.

Furthermore, the importance of large private agents that work collectively (international CSOs, foundations, associations) will gradually increase. There has already been substantial strengthening of these private sector or individual funds dedicated to the solution of public problems. The most notable example is the Bill and Melinda Gates Foundations, which donate more to treat AIDS in Africa than any government. At the same time, many other foundations donate or finance cultural preservation or local development research projects in both the global North and South.

Clearly the administrators of this public good will continue to be nation-states for a while, but gradually, large private agents that work collectively (international NGOs, foundations, associations) will appear on the scene. This is not the problem. The criticism is that the programs and projects and their respective resources should be awarded while keeping in mind the following criteria:

- Broad-based participation in the construction of international guidelines
- Strengthening of global social organizational networks that participate in the different moments of these policies.
- Participation of local groups 'affected by' or 'benefiting from' policies.
- A positive environment of openness and information production, with clear roles for the carrying out and follow-up of programs and projects.

What is Needed for Aid Policies

Conclusions

Recently, at "The International Forum on Civil Society and Aid Effectiveness: A multi-stakeholder dialogue,"[16] a group of Latin-American civil society organizations and particularly Alop proposed an understanding of Official Development Aid, and by extension, all development aid, as "International Development Cooperation".

Rather than being a relationship between a donor (with resources) that makes decisions and holds others accountable, and a receiver (with needs) that carries out the decisions made by the donor and is held accountable, development aid should be a cooperation between two sides that both have needs and resources, that hold each other accountable and are aware of the need to join forces to resolve common problems.[17]

Reality of Aid in its 2006 report advanced the proposition that "aid should be treated as money held in trust for people in poverty" and the promotion of donor short-term foreign policy interests so common over the past three decades in the allocation of aid resources must give way to a mandate for ODA that focuses exclusively on poverty reduction and the rights of poor and vulnerable people. In the UN global conferences of the 1990s and in aid reforms promoted by some donors, the international community was beginning to grasp the importance of aid as a catalytic resource for poverty reduction.

From this point of view, the Paris Declaration is the start of a conversation about the efficiency of aid and its mechanisms to make sure that resources are correctly directed and produce the best possible results. This conversation must go further to talk about the concept of "International Development Cooperation" as a public good and a means of protecting and reinforcing the Right to Development.

Notes

[1] Corporación Region is local NGO based at Medellín, focused on the promotion of human rights, the deepening of democracy and the achieving of peace. Retrieved from http://www.region.org.co/

[2] Asociación Latinoamericana de Organizaciones de Promoción al Desarrollo, Alop. (Latin American Association of Organizations of Development promotion. Retrieved from http://www.alop.or.cr/

[3] Ortiz, R. (1998). Otro territorio. Ensayos sobre el mundo contemporáneo. Santa Fe de Bogotá: Convenio Andrés Bello. p.xxiv

[4] Ibid, p.xx

[5] Sen, A. (2007). Identity and violence: The illusion of destiny.

[6] Bobbio, N. (2001). El futuro de la democracia; México: Fondo de Cultura Económica

[7] Rabotnikof, N. (1993, Noviembre). Lo público y sus problemas: notas para una reconsideración; Revista Internacional de Filosofía Política. No. 2. Madrid. p.75 a 98.

[8] Sen, A. (2000). Development as freedom.

[9] Sen, A. (2007). Identity and violence: The illusion of destiny.

[10] Remember the historical discovery, "It is not surprising that in the history of the world there has never been a famine in a democracy." (Sen, A. 2000, Development as freedom.)

[11] Clearly "poverty and inequality are closely related, but still different and one does not subsume the other." (Sen, 2005, On concepts and measures of poverty). In Latin America, for example, there are situations of extreme poverty, but our principle problem is inequality.

[12] "In discussions about social movements in Latin America we say the 'nation is still not complete'. This phrase is directly related to another: citizenship does not yet exist." (Ortiz. Otro Territorio, 1998, p. 121)

[13] This concept was constructed in a workshop called "Care-giving policies and their implications in our work," with partners from the *Fundación Avina*, Colombia, in the An apoima population, March 11-12, 2008.

[14] Retrieved from http://realityofaid.org/downloads/primer_on_aid_effectiveness.pdf

What is Needed for Aid Policies

15   Tomlinson, B. (2006). Determinants of civil society and aid effectiveness: A CCIC discussion paper. Retrieved from   http://www.ccic.ca/e/docs/

16   Organized by the Canadian Council for International Co-operation (CCIC) in Ottowa, February 2-6, 2008.

17   See the Draft Final Report. The International Forum on Civil Society and Aid Effectiveness: A multi-stakeholder dialogue. Hosted by the Advisory Group on Civil Society and Aid Effectiveness. Gatineau, Québec, Canada, February 3 – 6, 2008. Retrieved from http://www.ccic.ca/e/002/aid.shtml

Aid Effectiveness and Gender Equality

*Cecilia Alemany (AWID), Fernanda Hopenhaym (AWID)
and Nerea Craviotto (WIDE)[1]*

Introduction

Today the majority of the people living in poverty are women and girls, so it is essential to analyse the implications of the Aid Effectiveness agenda for the advancement of gender equality and women's rights and to set out how future policy-making must take this into account. It is crucial to understand the political context of development policies and the challenges posed by the implementation of the Paris Declaration.

This article argues that the Aid Effectiveness agenda, with the adoption of the Paris Declaration as one of its key instruments, has contributed to the process of narrowing the development agenda, started by the Millennium Declaration in 2000. It has become highly technical, severely undermining the achievement of key development goals such as gender equality, human rights and environmental sustainability. Looking at the advancements for the attainment of MDGs, it is clear that there are serious shortfalls and that the strategies being used are not being effective.

While the Paris Declaration is not a binding agreement, agreements such as the International Covenant on Economic, Social and Cultural Rights and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), create legal obligations for governments regarding issues of development, human rights and gender equality. It then becomes clear that international agreements endorsed by Northern and Southern governments in the last decades should be the framework for the advancement of those issues. They have committed to it and they should be held accountable for that. It is unacceptable that these key development goals are presented as 'positive conditionalities' or be manipulated as 'impositions by donors' when they are commitments made by governments from North and South, as a result of strong mobilisation and pressure by diverse social movements.

Development and Aid Effectiveness: Political Context, Key Discussions and Main Challenges

The United Nations (UN) has been one of the main venues for discussions and international commitments on development cooperation. The UN Financing for Development Conference was held in Monterrey in 2002, and key deliberations on development have taken place on occasions such as the UN Conference on Trade and Development (UNCTAD). These processes have provided a common platform for commitments in different areas of financing for development. Consensus was built around the need for mobilizing domestic and international resources, the conception of trade as an engine for development, the relevance of financial and technical cooperation, and the importance of addressing external debt issues as well as other systemic matters.

What is Needed for Aid Policies

At Monterrey in 2002, donors and developing countries expressed their concern regarding the scarcity of resources available to achieve the internationally agreed development goals[2]. Within this context, the international community committed to reach the target of 0.7% of their Gross National Income (GNI) allocated for Official Development Aid (ODA). There was a call for a holistic approach to the interconnected challenges of financing for development and the aid modalities were revised, concluding that there should be an improvement in aid quality as well as in aid quantity.

In 2005, the Paris Declaration on Aid Effectiveness was adopted, with the aim to reduce poverty and support the achievement of the Millennium Development Goals (MDGs) by reforming the delivery and management of aid. The Paris Declaration can be seen as the aid community's response to Monterrey, in an effort to improve aid quality. It is based on principles that strive to redefine the "recipient-donor" relationship and its implementation is monitored in the context of the Organization for Economic Development Cooperation (OECD). Unfortunately, however, in the aid effectiveness agenda, the key issues of human rights and gender equality have been defined as 'cross-cutting issues', resulting in a loss of their centrality to any effort towards development.

Furthermore, it has proven to be only a technical mechanism agreed upon in a space created by donors via the OECD. This contrasts with the Monterrey Consensus, which was agreed upon in a more inclusive and democratic space, signed at the highest level by Heads of State. This is why civil society organisations (CSOs) have been calling for the main cooperation deliberations and decision-making of international frameworks on development to take place back in the UN system. This would entail giving more centrality to a strengthened ECOSOC, the UN Development Cooperation Forum, the Financing for Development Conference in Doha (December, 2008) and a reinforced UNCTAD.

Today there are strong concerns among CSOs and some Southern governments that the agreements coming from the 3rd High Level Forum (HLF3) in Accra (September, 2008), where the Paris Declaration implementation will be assessed, will determine the results emerging from the Doha conference on development cooperation deliberations (as several officials from the European Commission have expressed). This further enhances the power imbalance between donor and developing countries, as the agenda put forward by the donor community through the PD has become the core framework for discussion on international development cooperation.

Development and Aid Effectiveness: A Gender Equality Perspective

There is an urgent need for the revision of current aid trends. If the international community will not take steps in Accra and Doha to broaden the development agenda to respond to people's needs and to seriously advance towards the achievement of development goals, political leaders will lose another opportunity to tackle the current systemic crises that are increasing poverty and inequalities around the world, particularly for women and girls.

Subsequently there is a risk that MDGs will be redefined and further extended for five or even ten more years.[3] According to the data currently available, the efforts to achieve the MDGs so far have not been enough. As stated in the Global Monitoring Report 2008, there are serious shortfalls particularly in the areas of nutrition, education, health and sanitation. According to this report "*on current trends, the human development MDGs are unlikely to be met*"[4]. Likewise, the Basic Capabilities Index from the 2007 Social Watch Report[5] shows that if these trends continue, no region in

the world (except Europe and North America) will achieve basic social development goals before 2035, and Sub-Saharan Africa will only reach that point in 2108.

The lack of financial resources "*is serious business and a critical hurdle for women's rights and gender equality in the world, and therefore for achieving the MDG3[6]. It has been estimated that the **financing gap for implementing MDG3 specific goals and gender mainstreaming activities in low-income countries ranges from $8.6 billion (2006) to $23.8 billion (2015). To realize MDG3 by 2015 would require external resources dedicated to financing gender equality-promoting interventions in the range of $25-28 billion annually in the low-income countries*".[7] These figures reveal that achieving gender equality objectives requires both a reallocation of existing resources and an important injection of additional ones. This can only be accomplished if there is strong political commitment from all governments and multilateral institutions.

Furthermore, an AWID concept paper[8] stated in 2006, "*the MDGs came to dominate the development agenda and a dollar-driven, technical approach to their implementation supplanted human-centered, rights-based approaches to development. Women's rights and gender equality objectives have become marginalized and peripheral in the development sector generally* ". From the women's rights perspective, the Millennium Declaration and the Paris Declaration are regressive frameworks for guiding development aid, compared to the achievements of the UN conferences of the nineties or existing human rights agreements such as CEDAW.

There is a clear risk that if gender equality and women's rights are not explicit priorities at the HLF3 they will be excluded from the agenda. There is a need for their inclusion as key development cornerstones, developing specific policies for their advancement. Human rights are in a similar

situation, as pointed out by Roberto Bissio in his chapter, with the risk that the implementation of the pprinciples of the PD can work against the right to development and other human rights, as well as erode national democratic processes.

Nevertheless, since developing governments often see the Aid Effectiveness agenda, including the road towards the HLF3, as a donor-driven process where strong asymmetries prevail, there is still a risk that any advancement on gender equality and human rights within this process will be seen as an agenda put forward by donors, consequently rejected by developing countries. This would undermine the campaigns and actions developed by CSOs, other development actors and particularly women's rights organisations from developing countries that have been advocating for the defense of human rights and gender equality at the national level, and the full implementation by all governments, from both North and South, of international agreements on gender equality and human rights.

**The Implementation
of the Paris Declaration, Gender Equality
and Women's Rights**

It is essential to understand the implications of the implementation of the PD, acknowledging that the HLF3 will have significant influence in other fora. It is time to push for the inclusion of a gender equality perspective, demanding that governments uphold more inclusive development paradigms, still maintaining a critical vision with regards to the serious implications of this process.

Women's rights organisations share the critical views put forward by other civil society actors with regard implementation of the PD, but have also developed a particular analysis from a gender-equality perspective.

Regarding a general overview of the process, in addition to some of the

What is Needed for Aid Policies

concerns mentioned above, there is agreement among many civil society organisations on the following concerns:

- The Paris Declaration is a **highly technical agenda that focuses strongly on the procedures** for aid management and delivery and not on the impact aid is having on achieving development goals.
- The **lack of significant participation of CSOs** in the process is a major concern, and it was particularly evident around donor-partner negotiations of the principles of the Paris Declaration.
- **Inclusive and effective participation** requires clear processes, but also investments in institutional development and capacity-building for CSOs to be able to engage in all processes related to aid and development.
- There are concerns around **governance issues** within the Aid Effectiveness agenda, as donors still impose policy conditionalities which undermine democratic ownership and the Right to Development.[9]
- There is **insufficient transparency and sharing of information** related to allocation of resources at the country level.
- The **International Financial Institutions** (IFIs) have a major role in these processes, particularly when looking at the **monitoring and evaluation systems** that rely heavily on World Bank evaluation mechanisms and data.
- With regards to the specific concerns from a gender equality perspective, the limited **participation of women's rights organisations** is especially relevant, due to their understanding of the challenges women face, and because of their involvement in development processes on the ground.

Gender Equality Concerns Related to the Paris Declaration Principles

- **Ownership**. Through the implementation of this principle, significant relevance is given to national development plans designed by Southern countries. This is particularly problematic when gender equality and women's rights are not a major priority for governments and when national development plans are not built in a participative way, gathering proposals from a broad range of stakeholders, including women's organisations. In this sense, women's organizations strongly support the position that ownership should be understood as democratic ownership, ensuring that the process of developing planning includes a vast array of stakeholders (such as parliaments, civil society organizations, etc) and not only national governments.

- **Alignment**. The main strategy used by donors to align with partner countries' national development plans is budget support. Major challenges arise from this practice, as gender equality is hardly ever present in national budgets. As a result of higher allocation of ODA resources in national budgets, there is the risk that less funding be directly available for women's rights organisations and other civil society groups, resulting in a significant cut of the resources they need to continue contributing and playing key development roles.[10]

- **Harmonisation**. The harmonisation principle encourages donors to make their activities transparent and collectively effective, to reduce transactional costs and overlapping. The main concern regarding this is that the least progressive donor practices prevail, neglecting the prioritization and proper allocation of resources to key development goals such as gender

equality. This would lead to an even more evident reduction of the development agenda.

- **Managing for Development Results.** When analysing this principle, there is a question on how development results get measured. It is necessary to move away from only looking at technical procedures or quick fixes to complex development problems. International Human Rights agreements that represent binding obligations for all governments should be used as frameworks to assess development results.[11] The lack of gender equality indicators and sex-disaggregated data - which are key components to assess the impact of development practices on the ground - in the evaluation of the implementation of the PD is also of particular concern.

- **Mutual Accountability.** Accountability must be truly demanded both from donors and partner countries. Northern and Southern governments should live up to the international commitments on gender equality and women's empowerment that they have endorsed, such as the CEDAW[12] and the Beijing Platform for Action. Civil society organisations have a key role to play in holding governments accountable to these agreements.

Gender Equality Concerns Related to the New Aid Modalities

Through its implementation, the PD is consolidating a new architecture of development financing which is supposed to achieve more effective international development assistance, together with a set of so called "new" aid modalities - most of which have been in place for years now. These include: Poverty Reduction Strategy Papers (PRSPs), General Budget Support (GBS), a Sector Wide Approach (SWAp), Basket Funding and Joint Assistance

Strategies. These aid modalities are not gender neutral or socially friendly, and they need to be given a clear gender dimension.[13]

There is a general concern about the 'new aid modalities' related to the missing recognition of the specific constraints and needs of women. The consultation processes used so far to develop **PRSPs**, a key tool within the Aid Effectiveness agenda, are problematic as the inputs given by different stakeholders are often not included in the final documents, with IFIs having a concluding say. Gender-specific analyses and impact assessments of PRSPs are of major importance and must be consistently integrated throughout the entire process.

Current budget allocations for gender equality and the empowerment of women are not sufficient. In addition, **general budget support** is still linked to donor conditionalities making the predictability of aid flows uncertain. This causes strong unease as long-term actions are needed, in particular when working on gender equality and the empowerment of women. Concerns have also been expressed regarding the incoherence between the principles of the PD and other policies and agreements related to aid for trade, free trade agreements and financial flows, among others.

It is of great concern that the underlying **social and power relations** that lead to unequal access of women and girls to services in sectors such as health and education still do not get addressed. So far **sector wide approaches** focus on investments in women and girls that are too narrow.[14] Furthermore, gender implications of sectors such as urban infrastructure and water have not been considered through SWAps, as they focus generally on areas that are traditionally seen as being linked to "women's issues" (education, health and agriculture). [15]

Basket funding and joint assistance strategies require decision-making and the reaching of agreements on various issues

What is Needed for Aid Policies

and levels between several donors and partners. Here, it is still a challenge to have women participating at the highest level of decision making in governments and the multi-tiered management structure. Gender expertise is currently often lacking in these processes, including in the definition of monitoring and evaluation measures.

Recommendations on How to Integrate Gender Equality in the Aid Effectiveness Agenda

It can be seen from the above that the Paris Declaration formulation and implementation has not given the necessary relevance to women's rights issues and to the advancement of gender equality. As stated by women's rights advocates in different spaces, the progress in those arenas is determinant for the achievement of key development goals. Therefore, integrating those perspectives into the Aid Effectiveness agenda becomes particularly important.

In January 2008, a consultation with women's organisations and networks was held in Ottawa to discuss issues related to the Aid Effectiveness agenda. As a result, the participants agreed on a set of recommendations on how to integrate the gender equality perspective in the implementation of the Paris Declaration. The proposals presented hereby are based on those recommendations, as well as in other suggestions put forward by AWID and WIDE[16].

1. **Donors and governments should deliver on their gender equality commitments.**

    • Donors and developing countries' governments should deliver on their commitments to key agreements on women's rights and development, such as the Beijing Platform for Action (BPfA), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the MDGs and the Maputo

protocol on women's rights in Africa. Donors and developing countries' governments should provide support to local groups, movements and women's rights organizations that will hold their governments accountable to these commitments, acting as advocates and strengthening democratic governance on the ground.

• Donors and developing countries' governments should ensure adequate financial resources to accomplish those commitments. As recommended by the Expert Group on Financing for Gender Equality from the UN Commission on the Status of Women, the share of ODA for women's empowerment and gender equality should be scaled-up to reach 10% by 2010 and 20% by 2015 of all ODA.[17]

• Donors should reach the commitment of allocating 0.7% of their GNI for ODA, and include an indicator for this as part of the Paris Declaration monitoring system.

2. **Strengthening transparency and mutual accountability efforts, democratic ownership and women's participation in the aid effectiveness agenda**

    • Donor and developing countries' governments must promote the presence of women's organizations in different decision-making processes, including the OECD Development Assistance Committee.

    • Donor and developing countries' governments must prioritize and financially support the strengthening of national public awareness about the PD and the centrality of gender equality, recognizing the role women's rights organizations can play at local and national levels in reaching out and reflecting the voices of the public.

What is Needed for Aid Policies

- All relevant actors must commit to the highest standards of openness and transparency:
  - Donors and international financial institutions should deliver timely and meaningful information, adopt a policy of automatic and full disclosure of relevant information, and submit to the norms and direction-setting of the United Nations (UN).
  - Developing countries' governments must work with elected representatives, the public and CSOs to set out transparent policies on how aid is to be sourced, spent, monitored and accounted for.
  - Diverse CSOs must also exercise accountability and continuously draw their legitimacy from their constituencies.
- Donor and developing countries' governments should strengthen national women's machineries to support and monitor line ministries, other government bodies and parliaments in influencing national development planning and budget allocations for gender equality and women's rights.
- Instead of the current Country Policy and Institutional Assessment (CPIA) mechanism, a technical working group should be formed to produce a more appropriate set of measures integrating gender equality in assessing public finance management and procurement in developing countries. The group proposals must be discussed among all stakeholders, consistent with the principle of democratic ownership.
- Donor and developing countries' governments must commit to supporting the conditions necessary for women's rights

organizations to fulfil their roles in development processes (planning, implementing, monitoring and evaluation). The Accra Agenda for Action (AAA)[18] must recognize CSOs in general and women's rights organizations in particular, as autonomous development actors in their own right[19].

3. **Integrate gender equality in the monitoring and evaluation of the Paris Declaration and in capacity development efforts**

- The OECD-DAC Working Party on Aid Effectiveness must promote a multi-stakeholder review of the monitoring system for the PD that includes the engagement of CSOs and women's rights organizations.
- The operational development strategies established by developing countries by 2010[20], related work plans and the monitoring system of the PD implementation must fully integrate gender equality targets and indicators. Existing and new ODA management assessment tools must reflect a results-based component, with a special focus on how gender equality and women's empowerment targets are being met in donor and developing countries.
- The acquisition and improvement of sex-disaggregated data must become predictable, regular and consistent to support planning, negotiation, monitoring, and evaluation of development and aid policies.
- The use of baselines, input and output performance indicators of gender impacts in budgetary reporting must be promoted; gender targets, inputs and outputs in national budgets and ODA must be specified.

What is Needed for Aid Policies

- The monitoring system of the PD implementation should integrate a strategic plan for financing gender equality and women's empowerment that is reflected in budget guidelines; as well as the amount of government funds spent for capacity building on integrating a gender perspective in public finances for (1) Finance Ministry officials; (2) whole of Government (including Parliamentarians), and (3) CSOs.

4. **Develop guidelines and tools for the contribution of new aid modalities to national obligations to gender equality.**

   - Donors and developing countries' governments should support the development of guidelines, monitoring tools and indicators on the contributions of the new aid modalities to national obligations to gender equality:
   - The **joint assessment processes** could provide an opportunity for donors and governments to be held mutually accountable for gender equality goals. Such accountability would determine the extent and impact of gender planning, gender budgeting, gender indicators and monitoring support for gender equality.
   - Support **gender sensitive indicators in SWAps results frameworks** and mechanisms to track expenditure, assess performance and show impact.[21]
   - Promote the integration of **Gender Responsive Budgeting** as a tool to combine with General Budget Support. Donors and CSOs should build capacity within Southern governments on gender-sensitive budgets and empower women's participation in the budgetary process. This must be central for Public Financial Management reforms and capacity development programmes.
   - Include gender equality explicitly as a principle in memoranda of understanding in **General Budget Support and MDG contracting** agreements between donors and developing governments.[22]

Notes

[1] With contributions from Lydia Alpizar and the support of Anne Schoenstein and Michele Knab (AWID).

[2] Monterrey Consensus, Chapter 1, paragraph 2.

[3] Alemany, C. (2008, April 14). Notes for remarks of Roundtable 3: Supporting the development efforts of the least developed countries, including through trade capacity-building, Special High Level Meeting between the Economic and Social Council with the BWI, the World Trade Organization and the United Nations Conference on Trade and Development. NY.

[4] Global Monitoring Report 2008, MDGs and the Environment, The International Bank for Reconstruction and Development, The World Bank, p. XVII.

[5] Social Watch, Report 2007, p. 81.

[6] MDG3, "Promote gender equality and empower women", has as a target to eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

[7] Grown, C., Bahadur, C. Handbury, J. & Elson. D. (2006, August). The financial requirements of achieving gender equality and women's empowerment. A paper prepared for the World Bank.

[8] Symington, A. (2006, December). A concept paper: Influencing Development Actors and Practice for Women's Rights An AWID Strategic Initiative, 2007-2010.

[9] Statement of the Women's Working Group on Financing for Development, Informal Review Session on Chapter IV, "Increasing international financial and technical cooperation for development", 15-16 April 2008.

10 AWID's 2007 Second Fundher Report, *Financial Sustainability for Women's Movement's Worldwide,* shows that bilateral and multilateral agencies are a key source of funding for women's rights organisations. Retrieved from http://www.awid.org/go.php?pg=fundher_2

11 AWID-DAWN-WIDE-FEMNET. (2008, May). Brief issue paper on managing for development results and gender equality.

12 The Convention on the Elimination of All Forms of Discrimination against Women was adopted in 1979 by the UN General Assembly.

13 Williams, M. (2007, May). Financing development, democracy and gender equality. Commonwealth Foundation.

14 OECD DAC evaluation of gender equality and SWAps.

15 GADN. (2007).

16 AWID & WIDE. (2008, January). Implementing the Paris Declaration: implications for the promotion of women's rights and gender equality, Commissioned by the Canadian Council for International Cooperation (CCIC).

17 Participants at the Ottawa consultation call on donors and developing countries to follow the recommendation of the meeting of the UN Expert Group on Financing for Gender Equality asking governments to commit to reach 10% of ODA for gender equality and women's empowerment by 2010 and 20% by 2015, setting out in the action plan of donors, recipient countries and the DAC strategies for reaching the target, monitoring performance and evaluating impact (Expert Group on Financing for Gender Equality - the UN Commission on the Status of Women, Oslo, September 2007).

18 The Accra Agenda for Action will be the main output of the HLF3. Its purpose is to deepen the implementation of the Paris Declaration with a view to achieving the agreed targets, as well as to address issues emerging since 2005. For more information see http://www.accrahlf.net

19 Recommendations of the International Consultation of Women's Organizations and Networks and Aid Effectiveness.

20 Paris Declaration, Section III: Indicators of Progress, Indicator 1, p. 9.

21 Gendernet, C. G. (2007).

22 Ibid.