Achieving Progress for Development Effectiveness in Busan: An Overview of CSO Evidence

The Reality of Aid International Coordinating Committee[1]

Assessing the commitments for aid reform

At the end of November 2011, one of the largest gatherings of development actors – more than 2,000 representatives of governments, civil society organizations (CSOs), donors, and private actors – are meeting in Busan, South Korea. The stated purpose of the activity is to launch a new "development compact" – a comprehensive vision for development cooperation, along with an action plan to guide development cooperation in the coming years. The Busan 4th High Level Forum for Aid Effectiveness (HLF4) is also a unique opportunity for CSOs, where 300 delegates will have contributed directly with proposals to shape the outcomes of this Forum.

With 2015 only a few years away, CSOs have pressed the international community to redouble its efforts to achieve the Millennium Development Goals (MDGs). The High Level Forum process to reform aid, initiated in Rome in 2003 and with the 2005 *Paris Declaration on Aid Effectiveness* (PD),

has been seen by both donors and developing country governments to be crucial in meeting their commitments in line with the Millennium Development Goals (MDGs). This process concludes in Busan with an assessment of progress in implementing the Paris reforms over the past decade. There is also an expectation that Busan will be a recommitment to complete the reforms through a broader development effectiveness agenda for 2015 and beyond.

Over the past two (2) years, members of the BetterAid Platform[2] have brought together thousands of CSOs in consultations to formulate specific and concrete proposals for an ambitious agenda and outcome in Busan. A key goal is to strengthen aid's contributions as an effective catalyst for the International Agreed Development Goals (IADGs)[3], including the MDGs, and strengthen democratic ownership particularly for people living in poverty and the most vulnerable communities.

The global Reality of Aid Network has been working in preparation for Busan alongside CSO

---

colleagues from women's rights organizations, trade unions, farmers' organizations, faith-based organizations, and many other CSOs in developing and donor countries. They have been engaging in dialogue and strengthening reform efforts at the country, regional and global levels, including BetterAid membership in the Working Party on Aid Effectiveness (WP-EFF)[4] and participation in the preparatory work of the biennial UN Development Cooperation Forum. This special *2011 Reality of Aid Report* is a contribution to these efforts.

An agenda for development effectiveness

For the past decade, CSOs in the Reality of Aid Network have been challenging and advocating for a more comprehensive set of reforms to improve aid quality and practices. In its 2010 global report, *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy*, the call was "for a bolder, broader approach that will lead to genuine development effectiveness – an approach that is based on protecting and fulfilling the rights of impoverished and marginalized people and on empowering them to claim their rights on an on-going basis". The *Report* suggested, "A thorough-going transformation of aid thinking and aid architecture is needed to achieve this".[5]

The 2010 *Report* goes on to present an approach to development effectiveness that is premised on the empowerment of poor and vulnerable communities to claim their rights, guided by the principles of independence, sovereignty and democratic governance:

> "Only when development cooperation is recast as a relationship of committed solidarity in the fight against inequality can it lead to social and environmental justice. Aid relations should be based on independence and autonomy following national sovereignty and democratic governance principles, and responding to priorities set through local democratic participatory processes and institutions. Transparency and responsive reporting are also required to ensure that aid providers and recipients are accountable and responsible to their citizens."[6]

Gender equality and women's rights, including their empowerment and equal participation in decision-making and in all aspects of the development process, are prerequisites for substantive democratic ownership and development effectiveness. Similarly, development effectiveness cannot ignore the implementation of the Decent Work agenda[7] as the cornerstone

---

[4] The Working Party on Aid Effectiveness is an informal multi-stakeholder body, established in 2003, which has organized High Level Forums, the first of which was in Rome in 2003. Following the Paris High Level Forum, it has monitored and advanced the goals of the Paris Declaration on Aid Effectiveness. It is a voluntary independent body, with two co-chairs, based in Paris where the Development Cooperation Directorate at the OECD provides secretariat. CSOs, parliamentarians, foundations and representatives of municipalities were made full members of the Working Party following the Accra HLF3 in 2008. The Working Party has the responsibility to organize the 4th High Level Forum in Busan.

[5] The Reality of Aid Network Management Committee, *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy, Reality of Aid 2010 Report*, Abridged Edition, "Political Overview: Towards Development Effectiveness", Manila, IBON Books, 2010, p. 8.

[6] *Ibid.*, p. 8.

[7] Decent Work is a multi-stakeholder agenda promoted by the International Labor Organization, which applies core labor standards in four (4) areas: creating access to productive employment and income opportunities, respecting the right to work, promoting systems of social protection, and strengthening the voices of workers and all stakeholders through social dialogue.

for sustainable livelihood-focused economic development strategies and social inclusion.

Assessing the evidence of progress in aid reforms for Busan

All development actors, including civil society, are seeking outcomes at HLF4 that strengthen efforts within countries and globally to make aid more effective in reducing poverty and achieving the MDGs. Busan is not a starting point for these efforts. The HLF4 preparatory process has drawn upon evidence of progress, as well as very significant challenges, in implementing the specific commitments made by donors and developing country governments at HLF2 in Paris in 2005 – *the Paris Declaration on Aid Effectiveness* – and at HLF3 in Accra in 2008 – the *Accra Agenda for Action (AAA)*. HLF3's *AAA* was intended to enrich the Paris commitments so that they might be achieved by 2010 when the *Paris Declaration* expired.[8]

Unfortunately the evidence suggests that at best only two (2) of the 21 Paris targets have been achieved since 2005. It is essential that all development actors assess and understand why there has been so little progress. If Busan is to deepen these existing Paris commitments and move towards a bolder and broader approach to development effectiveness, this stakeholder analysis must inform such an outcome.

The Paris commitments, enhanced in Accra, have been the subject of two (2) official assessments mandated by the Working Party: an independent and in-depth Evaluation, implemented in two (2) phases in 2008 and 2010, and a country/donor-based Survey and the *Report of Progress since Paris*, conducted by the OECD Development Cooperation Directorate (DCD). Both published their findings in May/June 2011.[9] These country and summary reports set out valuable evidence of progress, often limited, in key areas of commitments to reform. But both highlight the many challenges that remain. This special *2011 Reality of Aid Report* augments this "official" analysis of progress with evidence from 32 country-based perspectives from civil society. This evidence adds important nuances to the reading of these official reports.

Drawing conclusions from any assessment of progress for Paris/Accra is made difficult not only by the complex nature and ambition of the reforms that were to be undertaken, but also by the wide variety of country contexts in which these processes take place. Reforms touch not only on long-standing issues of donor practices, but also on complex and key issues of governance and accountability in developing countries. It is therefore essential that Busan be informed by the experience of a wide range of development actors, including this *2011 Reality of Aid Report*.

---

8   The 2005 *Paris Declaration*'s 56 commitments to improve the quality of aid are built around five (5) principles for aid effectiveness – country ownership, alignment of aid with country strategies for development, harmonization of donor aid practices, managing for development results and mutual accountability. The Declaration is accompanied by 12 indicators of progress with 21 specific targets to be achieved by 2010. The 2008 *Accra Agenda for Action* is intended to accentuate action and deepen an understanding of the Paris commitments in three (3) areas – 1) Strengthening country ownership and development; 2) Building more effective and inclusive partnerships; and 3) Delivering and accounting for development results. See OECD DAC, *The Paris Declaration and the Accra Agenda for Action*, accessed July 2011, at http://www.oecd.org/document/19/0,3746,en_2649_3236398_43554003_1_1_1,00.html.

9   Wood, B; Betts, J; Etta, F; Gayfer, J; Kabell, D; Ngwira, N; Sagasti, F; Samaranayake, M. *The Evaluation of the Paris Declaration, Final Report*, Copenhagen, May 2011, accessed at www.oecd.org/dac/evaluationnetwork/pde. This is a two-part evaluation with the first phase completed in 2008 prior to the Accra HLF3. Development Cooperation Directorate, Development Assistance Committee, *Report on Progress since Paris (working title)*, Draft for the Working Party on Aid Effectiveness, June 23, 2011, based on the preliminary findings from the 2011 Survey on Monitoring the Paris Declaration, optional survey modules on inclusive ownership and gender equality, and the Survey on Monitoring the Fragile State Principles, DCD/DAC/EFF (2011)2.

CSO perspectives on progress have some of these same limitations. But unlike official processes, they have been able to draw their analysis from the experience of many different development actors at the country level. Many of these actors are at the forefront of development actions, working with people living in poverty, including grassroots organizations and marginalized communities. While perhaps less well formed by the technical jargon of "aid effectiveness", these perspectives are important but difficult to access by official evaluators.

The 32 *Reality of Aid* country chapters have collated evidence through in-country research, meetings and interviews over the past 10 months with government officials, donors and CSOs. They focus deliberately on two (2) critical areas: 1) "democratic ownership" of country development plans and strategies, and 2) "development results for people". These are central concerns for CSOs since the former gives attention to the empowerment of people most affected by development initiatives, including their capacities and access to have a real voice and influence. The latter embodies the ultimate test of any reform agenda for aid and international cooperation that explicitly seeks to reduce poverty and promote social justice.

These chapters argue that the two (2) goals of democratic ownership and the effective deployment of development resources for results for people, including aid, are closely related. They point to ways in which current international and country development policies and practices by government, donors and CSOs affect democratic ownership and thereby enable or obstruct development progress for large numbers of poor people.

From "country ownership" to "democratic ownership"

The *Paris Declaration on Aid Effectiveness* committed its donor and government signatories to focus on an overarching principle of "country ownership" when implementing areas of reforms to aid policies and practices.[10] Country ownership, for these signatories, is the foundation for realizing aid effectiveness, whereby "partner countries exercise effective leadership over their development policies and strategies and coordinate development actions" (§ 14).

This focus in the *Paris Declaration*, however, was a narrow vision of country ownership, largely seen as 'ownership by government officials in dialogue with donor officials'. Since 2005, the principle has been the subject of widespread critiques. The Paris approach to aid has largely failed in this view to take account and address important issues of inclusion, human rights, gender equality, decent work and accountability for sustainable development outcomes for poor and vulnerable people.

In the lead-up to the Accra HLF3, a multi-stakeholder Advisory Group on Civil Society and Aid Effectiveness[11] recommended that all

---

[10] Those areas in the *Paris Declaration* include a medium-term development strategy by government, alignment of donor aid priorities with this strategy, use of country systems by donors, reduction in tied aid, demand-driven technical assistance linked to country strategies and priorities, program- based approaches rather than one-off projects, harmonization of donor requirements to ease transaction costs for recipients, management for development results, and a shared responsibility for outcomes through processes of mutual accountability, among others.[5]   The Reality of Aid Network Management Committee, *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy, Reality of Aid 2010 Report*, Abridged Edition, "Political Overview: Towards Development Effectiveness", Manila, IBON Books, 2010, p. 8.

[11] The Advisory Group included balanced representation of donors, developing country governments, CSOs from developed donor countries, and CSOs from developing countries.

stakeholders "deepen their understanding and application of the *Paris Declaration* principles in ways that emphasize local and democratic ownership, social diversity, gender equality and accountability for achieving results of benefit to poor and marginalized populations as essential conditions of effectiveness". [12]

The *AAA* took up these concerns. Country ownership required developing country governments to engage more fully with parliaments and citizens in shaping development policies [§ 8]. The *AAA* called for broad country-level dialogue on development through inclusive engagement with all development actors (CSOs, parliamentarians, local government officials), support for improved capacity to do so, and respect for international human rights norms [§13].

Equally important, paragraph 20 of the *AAA* recognizes the importance of civil society "as independent development actors in their own right whose efforts complement those of governments and private sector". This paragraph acknowledges that the Paris principles must be enriched to take account of the nature of CSOs and their varied roles in development. Finally, donors and developing country governments committed to "work with CSOs to provide an enabling environment that maximizes their contributions to development" [§20].

The *AAA* enriched many of the norms set out in the *Paris Declaration*, while emphasizing the importance of transparency, democratic accountability, and inclusive participation as powerful drivers for progress. Implementing "broad-based country ownership" was now the foundation for reforms in development cooperation, the goal of which was not just the technical fixes in aid management, but also explicitly "poverty reduction, consistent with gender equality, human rights, and sustainable development" [*AAA*, §3]. Unfortunately, the independent Evaluation and the Survey by OECD DCD use the *Declaration* as their primary reference point and provide little evidence as to the impact of the *AAA* since 2008. The CSO authors of this *Reality of Aid Report* pick up the themes of democratic ownership and sustainable development results highlighted in the *AAA*.

CSOs welcomed the enrichment of 'country ownership' in Accra towards more inclusive ownership. But they also have argued that this concept lacks rigor. CSOs have consequently put forward for Busan "rights-based democratic ownership" as a development principle for all development actors.

Democratic ownership more clearly places people at the center of aid and development effectiveness.[13] Democratic ownership is not only about inclusive participation which largely remains at the discretion of governments or donors. Rather, democratic ownership centers the legitimacy of development priorities and processes on the rights of people to access democratic institutions. These institutions must fully engage all citizens – from women and girls to men and boys – in processes for determining and implementing national development plans and actions. Development

---

[12] Advisory Group on Civil Society and Aid Effectiveness. 2008. *Synthesis of Findings and Recommendations*, August 2008, Recommendation #4, accessed July 2011 at www.oecd.org/dataoecd/61/8/41205249.pdf.

[13] BetterAid Coordinating Group, *CSOs on the Road to Busan: Key Messages and Proposals*, April 2011, accessed July 2011 at http://www.betteraid.org/en/betteraid-policy/betteraid-publications/policy-papers/447-cso-asks-on-the-road-to-busan.html. For a summary of BetterAid's key messages see Annex 2.

results will be sustainable if partnerships to implement development are inclusive of all aid actors, with particular attention to the rights of affected and vulnerable populations.

Development results are not only determined by aid and development resources allocated to achieve such results, but are also often limited by power relations within societies and between countries. The authors of the country chapters of this *Report* point to incontrovertible evidence that the lack of progress in realizing democratic ownership, and more broadly human rights, has undermined the potential of both Paris and Accra to contribute to poverty eradication, gender equality, decent work and environmental sustainability.

Measuring progress in democratic ownership and development results: Reality of Aid's Methodology

This *Overview of Evidence* for the country chapters draws together findings and analysis by CSO authors in four (4) essential areas for democratic ownership and development results.[14]

Strengthening Democratic Ownership

1. Progress in creating multi-stakeholder formal bodies and effective broad

consultation processes to determine and monitor development policies, plans and strategies, which are inclusive of women and marginalized populations;

2. The existence of an enabling environment for CSOs; and

3. Transparency and access to information on development plans and accountability for the use of development resources and aid provided to the government.

Promoting Development Results for People

4. Progress in poverty indicators for sustainable development outcomes for poor and vulnerable populations, including progress in realizing conditions for gender equality and women's rights as an essential foundation for development.

As a tool for summarizing the findings, the author of the *Overview* has scored 21 of the country chapters against five (5) dimensions important for democratic ownership and two (2) dimensions for development results – addressing poverty reduction and gender equality.[15] Annex One sets out these seven (7) dimensions and the criteria used for scoring for each dimension.

---

[14] In addition to the country chapters in this *Report,* evidence is also drawn from the following recent studies by CSOs: Alliance 2015, *Democratic Ownership Beyond Busan: Building inclusive partnerships for development*, June 2011, Five country case studies, accessed July 2011 at http://www.alliance2015.org/index.php?id=25&no_cache=1&tx_ttnews[tt_news]=84; ACT Alliance, *Shrinking Political Space of Civil Society Action*, June 2011, Ten country case studies, accessed July 2011 at http://www.actalliance. org/resources/publications/Shrinking-political-space-of-civil-society-action.pdf/view; Actionaid, *Is the implementation of the Aid Effectiveness agenda reducing aid dependency? An ActionAid International Report on Paris Declaration Implementation: A Cross Country Comparison*, June 2011, Seven country case studies, accessed July 2011 at xhttp://www.actalliance.org/resources/ publications/Shrinking-political-space-of-civil-society-action.pdf/vief; Schoenstein, A; Alemany, C. *Development Cooperation Beyond the Aid Effectiveness Paradigm: A women's rights perspective.* Association for Women's Rights in Development (AWID), January 2011, accessed July 2011 at http://www.awid.org/Media/Files/Dev_Co-Op_Women-Rights_Perspective_ENG.

[15] The editor of the *Report* has assigned scores on these dimensions based solely on a reading of each country chapter. Timing for publication has not permitted verification of each country score with the respective country chapter authors. Since considerable judgment is required in assigning comparative numbers on this basis, this *Overview* chapter presents only an average of country scores, which is an indication of overall trends. Each country chapter, however, describes a country situation that is often highly unique for understanding the implications of global aid reforms for governance and development outcomes.

These '*Reality of Aid* assessments' are compared to relevant summary observations drawn by the official Evaluation and the Survey *Summary of Progress*. More importantly, each section, which follows, draws together some of the evidence provided by the CSO chapters and related studies. This analysis provides the basis for some conclusions and recommendations for the ways forward in Busan.

It is clear from the CSO chapters and the official assessments that progress in achieving democratic ownership is very mixed at best. Two-thirds (2/3) of the country chapters in this *Report* indicate that the *Paris Declaration / Accra Agenda for Action* have had some positive influence on an improved relationship between many country governments and their international cooperation partners. However, there is little evidence of strengthened democratic ownership. There is also increasing concern that political space for CSOs as development actors is being undermined and is shrinking in many countries.

What is much more difficult to determine is the impact, if any, of aid reforms on development results for poor and vulnerable communities. All the chapters are clear that aid as a resource seldom affects the structural underpinnings of poverty in their country, such as inequality in access to land and other economic assets. Nevertheless, there is mixed evidence in the country cases that suggests some improved trends for indicators of conditions of poverty (school enrolment and completion, maternal and child health, participation of women in the formal economy and political process). While not assessed in detail, a cause for concern in many of the chapters

is the deterioration of ecological indicators and unabated exploitation of natural resources as the "development model" for many of the countries represented in this *Report*.

Strengthening democratic ownership

The *Reality of Aid* **country cases found...**

a) **A mixed experience with inclusive consultations and few fully inclusive multi-stakeholder bodies for development planning and monitoring.**

<u>**DCD Survey**</u>[16]: Partner countries exercise leadership through high quality national operational development strategies that are results- oriented and inform resource allocations: 36% of 74 countries in 2010 Survey have an operational strategy in place; half of the 32 countries in first Survey improved their performance since 2005 in developing strategies [Survey, 8].

<u>**Independent Evaluation:**</u> The pace and extent of change since 2005 for stronger national development strategies in country cases have ranged from moderate to fast; the pace and extent of change for detailed operational strategies have ranged from mostly slow / some moderate to fast.

With respect to consultations and participation of citizens, only a third of the country evaluations included findings: growing moderately in three (3) countries, and a much slower pace in five (5) countries [Evaluation, 37].

---

[16] These summaries are drawn from the DCD's *Report of Progress since Paris, op. cit.*, based on the outcomes of the various country Surveys.

Reality of Aid Assessment: Multi-stakeholder consultations involving CSOs, local communities, women and vulnerable groups in preparation of development strategies: Average Score 2.3 out of 5.[17]

A functioning multi-stakeholder body tasked with preparing and monitoring implementation of national development strategies: Average Score 2.4 out of 5.[18]

Review of the Evidence

The *Paris Declaration* commitments, and particularly the *AAA*, created the potential for more inclusive development planning. The CSO country reports and the Evaluation agree that most countries examined have developed national development strategies elaborating to some degree, mid-term development objectives. This is a positive outcome. According to the Evaluation,

> "All countries are moving in the right direction, with almost all now having national strategic frameworks in place. But there is much slower and more uneven progress in the more difficult tasks of setting out the operational frameworks needed to ensure that aid actually supports country priorities [Evaluation, 22]".

Several Reality of Aid (RoA) country chapters also drew attention to this weak linkage between multi-year development visions and strategies in many of the annual plans and budgets published by government (e.g. Lesotho, Cameroon, Guatemala, among others).

There is contradictory evidence, however, on the degree to which national strategies have been informed by consultations. While not all countries reported so, half of the 21 countries covered by the Evaluation indicated there were "various degrees of strengthening in consultative and participatory foundations of the development strategies since 2005" [Evaluation, 23]. All the 13 participating countries which provided answers to the DCD Survey's "Optional Module on Broad-based Ownership" stated, "...national development strategies were formulated through a participatory process..." in their country [Survey, 19]. Five (5) of these 13 countries considered CSO participation in national development strategies are now stronger than in the past (seven [7] did not respond to this question) [Survey, 21]. The Survey country evidence for these statements is not yet available.

A much less positive picture of inclusion in development planning emerges out of the various CSO country studies. ActionAid concludes from it seven (7) case studies, "The low quality and level of inclusiveness and participation of CSOs and citizens emerge as concrete and serious problems that might create tensions in the future if not addressed properly".[19] In many countries, decision-making processes on development priorities and the allocation of resources for these priorities remain the exclusive prerogative of the executive in government.

Inclusive consultation

Two-thirds of the scored Reality of Aid (RoA) country case studies indicated there were either no consultations or they were perfunctory meetings with a few chosen stakeholders, often

---

17   Score 2 – Perfunctory consultations with some stakeholders; Score 3 – Episodic consultations with some inclusiveness.

18   Score 2 – body exists, but only government officials; Score 3 – minimal stakeholder involvement in body.

19   ActionAid, *op. cit.*, p. 4.

for information purposes only. The case of Peru is typical where national development strategies were "superficially discussed with some civil society sectors, but civil society was neither fully consulted, nor its views therefore taken into account" [Peru chapter, 288].[20]

In Ecuador where consultation and participation is strongly mandated by law at all levels including the local, it often takes place in the final stages of the policy process, and CSOs have considered the exercise often to be one of "social validation". There have been insufficient opportunities for dialogue on the implications of the new concept Sumak Kawsay (good life) to replace development [Ecuador chapter, 251]. In Zambia, "CSOs were of the view that they were 'just rubber stamping' a Plan whose production process had begun without their input, i.e. the government had already prepared a zero draft, and CSOs were the last to be requested to give their input for its finalization" [Civil Society, Aid Effectiveness and Enabling Environment, 302].

The case of the Philippines is also indicative, where CSOs' participation in regional consultations is by invitation only, and "those that take an openly critical stance in relation to NEDA's [government] policies are rather unlikely to be selected to participate" [Philippines chapter, 209]. The author of the Pakistan chapter describes an "exclusionist system of governance that has become ... almost incapable of responding to the needs and aspirations of citizens". In this context "citizens ... have developed an attitude of apathy towards issues of larger public concern" [Pakistan chapter, 190].

In the case of Kenya, ongoing governance reforms have recognized the importance of inclusion, requiring women's participation in decision-making, as a principle in development planning.[21] But "in practice there are no structured mechanisms for realizing this commitment with the possible exception of budget hearings [in parliament]" [Kenya chapter, 63]. Even on budget issues in parliament, macro-economic parameters laid out in the Budget Strategy Paper are non-negotiable. Equally disconcerting is the disappearance of ministerial gender priorities as ministries finalize the distribution of resource envelops [Kenya chapter, 65].

Multi-stakeholder bodies for development planning

Structured and inclusive mechanisms that are permanent forums for multi-stakeholder dialogue for planning and monitoring development strategies are essential to democratic ownership of these priorities. Moreover, those organizations selected for inclusion must be legitimate development actors rooted in country processes to achieve development outcomes.

Reality of Aid authors therefore looked beyond participation and consultation towards inclusive institutions with this mandate to develop and monitor development strategies. They were able to identify bodies for development planning in most countries. But in at least half the cases, they were not multi-stakeholder, but composed only of government officials, whose primary task was to elaborate or coordinate plans and discussion of these plans with donors.

---

[20] References are to the country chapter in this *Report*.

[21] ActionAid, *op. cit.*, 10.

Very limited multi-stakeholder engagement in government directorates for development planning is a common characteristic of government directorates for development planning in several of the country cases. But some authors draw attention to emerging good practice, for which the inclusive norms of the AAA is cited as a motivation. The Ghana chapter describes notable improvements in democratic governance in recent years. The author notes a number of positive inclusive processes for civil society and other development actors in ongoing planning bodies established by government. In Senegal, the government's Economic and Social Council has provided space for representatives from CSOs, labor unions and the private sector to meet regularly and debate public policies with government officials, including senior ministers [Senegal chapter, 93].

A number of chapters highlight greater opportunities to engage at the ministry level where Sector Advisory Groups invite CSOs with specialized knowledge of health or education to participate. While the experience of CSOs in Ghana has been relatively positive in Sector Working Groups, in Zambia, CSOs report that government is highly selective as to which CSO is invited to the table and is often done so at the last minute to a meeting where government and donors have had major preparatory sessions [Civil Society, Aid Effectiveness and Enabling Environment, 302].

The DCD Survey points to evidence of improvements in engaging non-state actors in the health sector [DCD Survey, 22]. However, evidence presented in this *Report* suggests that civil society, including Parliament, is largely excluded from the health policy decision-making, and where non-state actors are included "governments tend to hand-pick a select group to engage" [Aid Effectiveness: How to make it healthier, 321].

The author of the Indonesia chapter is hopeful that the government's 2011 invitation to CSOs to engage directly with its planning office and with technical ministries (with the important exception of the Ministry of Finance) will deepen a multi-stakeholder planning and monitoring process in that country. Improvements in access for some CSOs along these lines are also noted in the Cambodia chapter. Finally, the Uganda chapter points to the importance of the Paris and Accra aid effectiveness norms in reinforcing existing multi-stakeholder representation and ensuring continued broad consultations through its National Planning Authority, which had been established already in 2002. A number of the chapters, however, also question the criteria used to select organizations for inclusion, arguing that some of the organizations chosen may not have been well suited as development actors to contribute (Philippines and Benin, for example).

Sub-national mechanisms for consultations

Six (6) of the *Reality of Aid* country chapters raise the importance of sub-national consultative mechanisms for development planning that could be effective in building democratic ownership at that level. Interestingly, despite very restricted access for Honduran civil society at the national level since the 2009 coup, CSOs were able to continue a productive engagement on development issues with local governments [Honduras chapter, 271]. CSOs in Senegal drew attention to the government's decentralization policy for strengthening democratic ownership. It "has allowed more people to participate in decision-making in their own communities through the creation of bodies and institutions that are closer to their issues" [Senegal chapter, 93]. This is also the experience in Peru where CSOs participate in concerted regional and local development planning processes as mandated by national law [Peru chapter, 288].

On the other hand, in the Philippines, the government promotes the assumption that its national development strategies are fully owned. It makes this claim based on the work of regional 'inclusive' planning bodies, which have serious limitations as previously noted. There is accordingly no inclusive national body with multi-stakeholder representation, which oversees the development of the national plan.

Coordination with donors

The Evaluation, Survey and many of the CSO country chapters confirm that coordination with donors has improved since 2005 as an important outcome of the Paris/Accra aid effectiveness agenda. This coordination has often been accompanied by the elaboration of an aid policy by the government. In Indonesia, strong policy leadership by the government led to the negotiations of the Jakarta Commitment in 2009. This is the foundation for an independent government policy for the deployment of aid towards its own priorities, replacing former donor-led coordination forums subservient to donor interests [Indonesia chapter, 146]. In Kenya, in contrast, there is little coherence with national plans as there is no aid strategy to guide the government in its engagement with donors. This engagement takes place in a Development Partnership Forum based on a donor Kenya Joint Assistance Strategy. There is access for some parliamentarians but no CSOs to the Development Partnership Forum [Kenya chapter, 64].

In all country cases, donor engagement with CSOs at the country level is episodic at best. The Zambia case is indicative, where donors engage with governments and there is no standing mechanism for bringing CSO views on board: "CSO/donors/government meetings seem to be more of a public relations exercise, rather than a

critical forum for policy dialogue" [Civil Society, Aid Effectiveness and Enabling Environment, 304]. In many cases CSOs see donors as potential or actual development partners (for funding) and not targets for advocacy and policy dialogue.

CSO challenges in participation

Democratic ownership of development strategy is not only about consultations and structures, it is also about capacities to effectively engage and represent policy alternatives. Many CSOs have their own challenges in effectively participating in these planning mechanisms and consultative processes.

The Ghanaian experience is representative. Here "the capacity (organizational, skills, and strategy) of civil society to engage systematically and from an informed perspective in policy discourses is weak, fragmented and uncoordinated" [Ghana chapter, 58]. For CSOs in many countries, as noted in the next section, the lack of timely access to information is also a severe limitation to their effectiveness. Such information is essential for an informed contribution to development planning and monitoring. Respondents to the DCD Optional Module also confirm that among the reasons for limited CSO participation in development planning were lack of financial resources, poor internal organization, limited legitimacy and lack of timely access to information [Survey, 21].

Strengthening policy influence by CSOs includes better understanding of the politics of elite interests in shaping development outcomes. The author of the Indonesian chapter, for example, points to political tensions affecting CSOs as they take advantage of greater opportunities for effective participation in development planning. Indonesian CSOs get significant access to make

proposals and influence priorities at the local level as well as in national planning bodies. But CSOs still remain cut off from the Ministry of Finance (the budget process), and local proposals are often changed through parliamentary "back-door deals" with private sector actors [Indonesia, 149].

In the case of Benin and the Philippines where CSOs are chosen by government to participate in planning bodies, they are often those which are not the best informed through engagement with peoples' perspectives on development priorities [Benin chapter, 45; Philippines chapter, 208]. In understanding the weaknesses of CSOs in Lesotho in promoting greater consultation, the author of this chapter points to the lack of a "culture of debate, dialogue, information and knowledge sharing across non-state actors or in the nation at large" [Lesotho chapter, 70].

In several cases (e.g. Benin, Ghana, Nigeria), CSO platforms have convened their own inclusive consultative processes to inform development priorities for the country, but often with limited or no participation by government officials. In Ghana, CSOs have created an on-going platform to monitor the implementation of the Paris/Accra processes in their country.

The *Reality of Aid* country cases found ...

b) **A closing space for civil society as development actors in many countries.**

DCD Survey: Issue of enabling conditions for CSOs largely not examined, but references other studies: "Evidence of efforts by partner countries to provide an enabling environment for CSOs that maximizes their contribution to development [AAA, 20c] is less positive" [Survey, 22].

Independent Evaluation: Issue of enabling conditions for CSOs largely not examined.

"Six of seven evaluations [out of 21] which have findings on social capital observe that Paris Principles and emerging norms have helped to create or support an enabling environment for civil society" [Evaluation, 48].

Reality of Aid Assessment: Mixed impact of Paris/AAA on the political, legal and operational environment of CSOs. While no scoring was possible, half of the country chapters explicitly raise issues for CSOs in the legal, institutional and political environment affecting their operational capacities to be effective development actors.

Review of the Evidence

In analyzing the linkages between civil society, aid effectiveness and the enabling environment in three (3) African countries, Vitalice Meja highlights the NGO Act in Zambia. He comments that "once implemented...[the Act] may have the potential of reducing critical voices and a dwindling number of civil society organizations, in particular small locally-based ones in rural and remote areas, as they will struggle to meet the criteria of the Bill" [Civil Society, Aid Effectiveness and Enabling Environment, 304].

This conclusion, along with similar evidence from other chapters, reinforces the "global crisis of shrinking CSO space" that has been documented by the global civil society coalition, Civicus. In a survey of CSOs in 25 countries (4,122 organizations), Civicus recently found that 11% perceived they were operating in a highly restrictive environment, 36% quite limiting and 45% moderately limiting. Almost 60% reported

having experienced illegitimate restrictions or attacks by authorities.[22]

Growing pressures on CSOs, particularly their ability to express dissenting views, should be deeply troubling for all development actors concerned about broadening and deepening citizens' participation in development as an essential ingredient for aid effectiveness. The Civicus study notes these linkages and goes on to cite a number of instances where "governments have deliberately misinterpreted the principles of 'national ownership' of aid – articulated in the widely accepted *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action* – to prevent aid money from reaching independent civil society groups".[23]

This documentation of evidence of closing political space stands in marked contrast to the superficial findings of the Independent Evaluation on the impact of the *Paris Declaration* on social capital. The Evaluation is somewhat positive throughout its *Summary Report* on evidence of progress in its country case studies for engagement of civil society. It does cite one instance, Mozambique, where the evaluator refers to "one analysis" pointing to an erosion of accountability to citizen beneficiaries and a "weakening of institution building for democratic development". But it fails to go any further to examine or draw any conclusions on the implications of these crucial issues for progress in implementing the norms on country ownership in the Paris/Accra process [see Evaluation, 48-49]. The DCD Survey goes a bit further with evidence from its Optional Module on Broad-based Ownership (but completed by only 13 of 72 countries). It also balances this

partial set of responses with reference to other studies on closing civil society space, including Civicus. But like the Independent Evaluation it largely draws no connections with its evidence of mixed progress for country ownership.

Trends in the legal framework for CSOs in many countries is becoming increasingly challenging. A draft NGO law in Cambodia, now in its third (but secret) iteration may undermine the fragile progress noted earlier in that country for CSO engagement [Cambodia chapter, 135]. Similar concerns are raised in the Ecuador chapter where a 2008 Executive Decree may place restrictions on some critical NGOs targeted by the government in which the latter questions their representativeness and sources of financing [Ecuador chapter, 250]. In Tanzania and Lesotho, these respective governments consider advocacy CSOs as part of the opposition and make effort to keep them out of the political processes [Lesotho chapter, 70].[24]

An observation by the author of the Nigeria chapter is representative of other governments. He notes that democratic ownership "is deeply affected by a nebulous relationship between government and the CSOs" and is "usually characterized by grave mutual suspicion" [Nigeria chapter, 80]. The author of the Kenya chapter makes similar characterizations of government attitudes.

CSOs in Pakistan work in an environment largely defined by Pakistan's "front-line" role in the "war on terror" (72% of Pakistan's aid is security-related). In this context, the government of Pakistan is working out a plan that would

---

[22] Civicus, *The Clampdown is Real!,* pages 4 and 7, accessed July 2011 at http://civilsocietyindex.wordpress.com/2011/01/19/civil-society-the-clampdown-is-real/.

[23] *Ibid.*, page 8.

[24] For Tanzania see Alliance 2015, *Democratic Ownership Beyond Busan*, *op. cit.* p.5.

require approval of Parliament before allowing NGOs to invest in different sectors of its draft Foreign Assistance Policy Framework. It has been "skeptical about NGOs receiving funding directly from foreign donors" [Pakistan chapter, 189].

The government of Nicaragua has denounced Nicaraguan CSOs as "puppets of foreign powers" and engages with only select CSOs at the local level.[25] In both Sri Lanka and Sudan, CSOs have severely limited space for dialogue and advocacy. The Sri Lanka chapter notes that "the Ministry of Defense has invoked draconian 'emergency' and 'prevention of terrorism' legislation to silence the voice of civilians" and that "the rights of indigenous peoples have been routinely violated over the last three decades" [Sri Lanka chapter, 218].

In other countries, a fragile but more positive relationship between government and civil society seems to be emerging. For instance in Palestine, the author noted the influence of the Accra High Level Forum on giving more legitimacy to CSOs and reinforcing more space for their legitimate development activities. The experience of CSOs in Ghana is currently mixed with regards to legislation governing CSO advocacy. But Alliance 2015 suggests, "Creating an enabling environment [in that country] is a long-term project requiring sustained political commitment and cooperation from all stakeholders".[26]

The *Reality of Aid* country cases found ...

c) **Limitations on practical access to information, even where legislation exists, is common. When combined with very limited formal opportunities for**

democratic accountability, CSOs face significant challenges in holding donors and governments to account for the use of development resources in many countries.

DCD Survey: Progress on different aspects of transparency has been uneven [Survey, 59]; Progress in regularly making public all conditions linked to aid disbursements is limited [Survey, 59]; 32 out of 70 partner countries in a UNDP/UNDESA study had an information management system in place; but major challenges in making information accessible and useable were reported [Survey, 61]. No significant improvement by donors in use of country procurement systems (2005 – 40%; 2010 – 43%). Participation of parliament in national development strategies remains limited – of 13 reporting countries, one-third had no involvement and in no country is there a specific parliamentary working group to oversee national development strategies [Survey, 20].

Independent Evaluation: Progress towards the transparency goal has been mostly slow to moderate for both donor and partner countries [Evaluation, 38]; Strengthened laws, audits, institutional and procurement reforms documented, but none of the evaluations found marked progress in reducing corruption [Evaluation, 40]. Two-thirds (2/3) of evaluations reporting find generally greater accountability to and through parliament [Evaluation, 36-37].

Reality of Aid Assessment: Access to information law / aid database: Average score 2.6 out of 5.[27] Eleven out of 21 countries had a score

---

25   *Ibid.*, p.5.

26   Alliance 2015, *op. cit.*, p. 7.

27   Score 2 – Information system or database exists, but little evidence that CSOs can access relevant information; Score 3 – Some access to information, difficulties, limited data and information.

of three (3) or more.Capacities for oversight of development strategies and effective measures to address corruption: Average score 2.6 out of five (5).[28] Eight (8) out of 21 Report countries had a score of three (3) or more. On levels of corruption, Transparency International's Perception of Corruption Index: Ghana registered the best score of 4.1, with 14 of 23 countries in this Report having a score of 2.5 or less (out of 10)[29]

Review of Evidence

In the *AAA,* donors and partner countries stressed, "transparency and accountability are essential elements for development results" [§ 24]:

> "Developing countries will facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures, procurement and audits. Donors will disclose regular, detailed and timely information on volume, allocation, and when available, results of development expenditures to enable more accurate budget, accounting and audit by developing countries" [*AAA,* § 24a].

Transparency

CSOs see a close relationship between transparency and democratic ownership. Without transparency in information, parliaments and citizens have few tools with which to hold governments to account; when the government and its bureaucracy tightly limit ownership and control accountability, a culture of corruption flourishes, and the political will to fully implement mechanisms for transparency and accountability will be weak.

Legislation governing access to government information, often mandated by the basic laws of the constitution, is increasingly commonplace, although in a few countries (Ghana and Lesotho, for example) draft laws have been lingering for long periods without passage by parliament. In other countries such as Lebanon, Cambodia and Nigeria, a law exists but government officials are often ignorant of the law and/or very reluctant to divulge information to CSOs. In Lesotho, the Public Services Act explicitly forbids state employees to divulge any information held by the state as the latter is wholly classified as confidential [Lesotho chapter, 71]!

The author of the Bangladesh chapter describes a common context for information access, pointing out, "access to information depends on the accessibility of mechanisms through which people can obtain information" [Bangladesh chapter, 131]. People must be aware of the mechanisms, must be able to interpret raw data, and people living outside the capital city must have the means for (web-based) access.

While information is essential, the Bolivian chapter adds that such information will only become a dynamic force for CSO influence when combined with spaces for discussion with civil society on the scope, prospects and effectiveness of development

---

[28] Score 2 – Minimal oversight and implementation of laws on corruption; Score 3 – A degree of effective oversight, with some investigation of corruption.

[29] Transparency International, *2010 Corruption Perception Index*, accessed July 2011 at http://www.transparency.org/policy_research/surveys_indices/cpi/2010.[27]   Score 2 – Information system or database exists, but little evidence that CSOs can access relevant information; Score 3 – Some access to information, difficulties, limited data and information.

in Bolivia [Bolivia chapter, 237]. The structure of the information is also critical: no country chapter reported generally accessible gender disaggregated data. This profoundly affects analysis of gender impacts of development efforts.

Laws governing access to government information on the investment of development resources and development planning documents exist in varying degrees, formats and accessibility. But *Reality of Aid* CSOs indicate that their access to aid flow information at the country level is usually either very partial or unavailable, and seldom covered by information access laws. In a few countries in recent years, public access to an aid database through the government or the donors is available, but no country reported access to important qualitative information on the results expected or achieved in various aid activities. These qualitative gaps in aid information compound the methodological problems of understanding the development impacts of aid allocations for poverty reduction and social justice, as will be apparent in the next section of this chapter.

While the *Reality of Aid* country studies did not reference the implications of the International Aid Transparency Initiative (IATI)[30], globally CSOs have acknowledged the progress of IATI and its potential to address the issue of public access to consistent and comparable aid information systems at the country level. The DCD Survey notes, "IATI … is perhaps the most significant initiative at the global level aiming to improve accessibility of information on aid, … [including] information on forward spending plans, and documentary information (e.g. country strategies, conditionality, results frameworks)" [Survey, 59].

Several chapters (Ecuador, Peru and Uganda) describe some good practices with significant country-level progress in transparency for public governance. In Ecuador, in addition to a robust law governing access to information, there is a government Transparency and Social Empowerment Branch that is mandated to formulate public policy on transparency, oversight, promotion of citizen participation, and the fight against corruption [Ecuador chapter, 251]. Peru also has a very robust law and policy for access to information, which includes national level information, but also full information from all the country's municipalities and 25 regional governments. Unfortunately, the Peru chapter also reports that political attention to transparency and accountability has weakened in recent years affecting the quality of information [Peru chapter, 290-291]. In Uganda, in 2011 the government is finalizing a Partnership Policy that is intended to increase transparency and accountability between the government and its development partners and between government and its citizens in the management of international cooperation [Uganda chapter, 107].

Accountability and Parliamentary Oversight

The *AAA* rightly puts parliamentary oversight over development priorities, policies and budgets at the center of domestic accountability mechanisms. But as noted in the Survey and Evaluation, little attention has been given to strengthening its capacities to do so. The *Reality of Aid* chapters demonstrate that the nature of parliamentary oversight is also very specific to country-contexts. Strengthening parliamentary oversight relates not only to issues of practical

---

[30] IATI is a voluntary DFID-led initiative that was launched in Accra to improve donor aid transparency with open source data and common definitions and standards for aid information at the activity level that goes beyond information available in the DAC Creditor Reporting System. To date, 20 IATI donors (including foundations and a few INGOs) have agreed to follow IATI definitions and standards and several of these donors have already published IATI compliant information.

capacities, access to information and government officials, but also to questions about its political ability to play its role as an accessible public forum and as a check on government decision-making prerogatives.

In Lesotho, parliament has few powers to enable its oversight functions, relegated in the words of the author of this chapter to a "rubber stamp" body. Here parliament seldom receives audit reports to study and the government often mocks parliamentary committees, refusing to even consider implementing their recommendations [Lesotho chapter, 72]. National development budgets are brought before parliament in Cambodia, but its capacity and power to make amendments to the budget is very weak. Audit reports remain confidential, years late, and are not available for public debate [Cambodia chapter, 137].

On the other hand, parliamentary deliberations in Indonesia are dynamic and are televised to the public. However, it has already been noted that participatory processes to determine development priorities can sometimes be undermined by parliamentary "back-room deals" by power brokers in that country. The Nigeria chapter draws attention to the situation where accountability at the state level "is highly compromised as most of the legislators are closely aligned with the executive, to the extent that the former cannot often play its oversight role" [Nigeria chapter, 81]. Similarly in Senegal, parliament is controlled 90% by the ruling party and the executive branch always gets its way [Senegal chapter, 94].

In Ghana, CSOs are calling for parliament to reassert its constitutional role and to create synergies with civil society: "A strategic partnership between CSOs and parliament will build both synergies and complementary approaches to enhance the effectiveness of

each in their own right. This will contribute to addressing the current power imbalances between the Executive on the one hand and development partners, parliament and CSOs on the other." [Ghana chapter, 61] With legislative tools, independent parliamentary capacities to monitor, analyze, listen to stakeholders and negotiate change, with transparency and access to independent audit facilities, parliaments can live up to the constitutional responsibilities for democratic accountability.

Corruption and procurement

All observers agree that corruption is persistent and deep-rooted and it seriously undermines efforts for citizen participation, poverty reduction and social justice. The Survey draws attention to the *AAA* directive to donors to take steps in their own countries to combat corruption by individuals and corporations and to developing countries to improve systems of investigation, legal redress, accountability and transparency in the use of public funds. [*AAA,* §24d] The Survey notes "mixed progress" in donor countries, particularly with regard to recovery and return of stolen assets to originating developing countries. It also points out that Transparency International indices show little overall change in the perception of corruption in developing countries since 2005. [Survey, 61-62] Indices for many of the *Reality of Aid* cases are among the lowest in the world.

In almost all countries represented in the *Report,* the legal and institutional framework is in place to address significant issues of corruption. What is lacking is political will to investigate and act on the part of government leadership in the face of powerful private interests. This is sharply expressed in the case of Guatemala: "While there are formal processes and laws ... there is no doubt the existence of significant political

powers in society threaten information and investigative work, ... [including] everything from physical aggression and/or death threats against journalists and social leaders, to the manipulation of the justice system" [Guatemala chapter, 262]. The author of the Tajikistan chapter also refers to "corruption bottlenecks ... related to the concentration of power", for which there is a need to move processes of property redistribution "from the shadows of power relations at the highest levels" [Tajikistan chapter, 219].

Public procurement by government is an important potential resource to promote development and reduce poverty, particularly where local companies have fair and transparent access to tenders. According to Eurodad this resource amounts to 15% to 30% of GDP in a given country, with significant number of contracts coming from development aid in the poorest countries.[31]

The conclusions reached by this Eurodad research for Uganda is common to the country analysis in this *Reality of Aid Report*: "Eventually, reforms have led to an impressive legal and institutional framework [for procurement], but not yet to a significant reduction in corruption or to the smoother delivery of public services, which was ostensibly their main purpose".[32] Moreover, reform of procurement policies and systems in countries such as Uganda and Bangladesh have been largely determined by the multilateral development banks, with little to no consultation with or accountability

to the affected citizens whose tax payments are disbursed through such systems.[33]

Reforms in public procurement in many of the *Reality of Aid* countries involve publication of procurement opportunities online or in the public media, public bodies that oversee the application of international standards in procurement, and sometimes public access to the results of procurement contracts. These rules are often compromised as in the case of Senegal where the President recently decreed that there would be no public tendering for an increasing number of projects considered loosely for national security purposes or deemed urgent by the government [Senegal chapter, 94].

The Indonesian chapter reports a common donor perception, where they are reluctant to use the government's procurement system on grounds of lack of transparency. In the case of Indonesia, USAID and the World Bank actually established the system [Indonesia chapter, 150-151]. For Bangladesh, public procurement affects 70% of the national budget. Donors have serious concerns about the country's procurement system. But as the author points out, "donors are not very obliging to open their own procurement information system to scrutiny" [Bangladesh chapter, 131].

While oversight can be weak and procurement systems compromised by levels of corruption, CSOs in several chapters document that CSOs themselves have been "watchdogs" on the

---

[31] See the detailed case studies of public procurement as a development resource by Eurodad, the European Debt and Development Network, conducted in Ghana, Uganda, Nicaragua, Bangladesh and Bolivia, accessible at www.eurodad.org.

[32] See Eurodad, *Tapping the potential?: Procurement, tied aid and the use of country systems in Uganda*, December 2010, accessed July 2011 at http://www.eurodad.org/aid/report.aspx?id=124&item=04316.

[33] See Eurodad, "Helping or hindering? Procurement, tied aid and the use of country systems in Bangladesh", March 2011, accessed July 2011 at http://www.eurodad.org/aid/report.aspx?id=124&item=04438.

allocation of resources for public goods in their society. Civil Forum in Senegal brings forward cases of petty corruption; civil society organizations in Ghana establish mechanisms to monitor corruption, although "they are not yet robust"; and in Nigeria civil society has been working in harmony with anti-graft bodies in monitoring, assessing and critiquing government and donor accountability processes [Senegal chapter, 94; Ghana chapter, 58; Nigeria chapter, 81]. In all cases, civil society is seriously hampered by the lack of information, intimidation and suppression of investigations by public authorities.

Achieving development results for people

The *Reality of Aid* country cases found ...

d) **Demonstrating impact in terms of development results for people from aid reforms is methodologically challenging. Limited evidence exists of some linkages between country-level implementation of aid reform policies and positive changes over time in conditions for people living in poverty and vulnerable populations and in progress on women's rights.**

DCD Survey: No measure or commentary on contribution of aid to results for poor and vulnerable people. Developing countries have made progress in establishing results-oriented frameworks starting from a low base (4% of countries in 2005 to 20% in 2010), meaning a framework is in place, with comprehensive data and reliable coverage) [Survey, 66-67].

Independent Evaluation: Little progress in most countries in giving greater priority to the needs of the poorest people, particularly women and girls [Evaluation, 56].

Reality of Aid Assessment: Sustainable development outcomes for poor and vulnerable populations with progress in gender equality and women's rights: Average score: 2.6 out of 5.[34]

Review of the Evidence

The DCD Survey is explicit that "the *Paris Declaration* is part of an international push for results that was initiated with the Millennium Summit in 2000, including the adoption of a set of targets and indicators to measure progress in achieving the Millennium Development Goals" [Survey, 65]. The *Accra Agenda for Action* acknowledged and deepened this linkage between aid reform and the Internationally Agreed Development Goals:

> "Gender equality, respect for human rights, and environmental sustainability are cornerstones for achieving enduring impact on the lives and potential of poor women, men, and children. It is vital that all our policies address these issues in a more systematic and coherent way." [*AAA,* 3]

It is unfortunate then that neither the DCD Survey nor the Independent Evaluation developed and implemented a methodology for measuring the degree to which aid reforms contributed to this impact on the lives and potential of poor women, men and children. At best, proxy indicators suggest

---

[34] Score 2 - Poverty decreasing, some institutional commitment to gender equality, but no clear linkages with aid priorities; Score 3 - Poverty decreasing, some implementation of gender equality policy, some overall linkages between specific priorities for poverty reduction and aid priorities.

some overall trends, but clearly such trends cannot address highly differentiated experiences in each country context. The CSO evidence presented in this *Report* suggests some broad directions and inferences of mixed progress (with conclusions similar to the Independent Evaluation).

The lack of evidence and country-specific analysis of impacts on development outcomes is unacceptable. This *Reality of Aid Report* therefore calls for a comprehensive and systematic approach by all development actors not only to continue to strengthen appropriate results management at a program level for aid. But new resources and efforts must also be invested to develop and examine country-level evidence on the development outcomes of reforms. The presumed intent of these reforms is country ownership, reformed aid modalities and greater accountability for the purpose of affecting gender equality, improved conditions for poor and vulnerable populations – the intended beneficiaries for these significant efforts to reduce poverty and inequality.

ODA commitments and progress towards the MDGs

While the commitments to aid reforms have been welcomed by CSOs, recent evidence suggests that donors are failing in the larger picture to live up to their *Millennium Declaration* pledge "to spare no effort" for the eradication of poverty.

This chapter, *Update of Trends in Official Development Assistance,* in this *Report* gives a macro picture of the degree to which aid has been a resource available for achieving the MDGs. It is significant for poverty outcomes that some DAC donors are rethinking their pledges to move towards 0.7% of their Gross National Income for ODA. It is now clear that donors will short-change Sub-Saharan Africa by $14 billion, reneging on their 2005 Gleneagles commitment of $25 billion <u>additional</u> aid dollars for that region by 2010. This is the region with very large shortfalls expected in the achievement of the MDGs by 2015. [Trends chapter, 338].

What is more striking is the allocation of new aid dollars from increased ODA since 2000. *Reality of Aid* has calculated that *less than a third* of *new* aid dollars since 2000 are even available to be spent on human development goals [Trends chapter, 341].[35] Much of these increased ODA dollars have been directed to increased support for refugees and students in donor countries, debt cancellation, foreign policy priorities in Afghanistan, Pakistan and Iraq, and increases to humanitarian assistance.

While donors have rhetorically given priority to aid investments in MDGs, there is no actual measure of such allocations. *Reality of Aid* has been working with a "proxy indicator" to assess trends in aid to sectors that are highly consistent with the MDGs.[36] Interestingly, the *Trends* chapter demonstrates that this proxy has only grown marginally since 2000, from 20.8% in 2000 to 23.6% in 2009 [Trends chapter, 342] of sector-allocated bilateral aid. Donors seemingly have not given a greater proportion of their ODA since 2000 to sectors that relate very directly to the achievement of the MDGs.

---

[35] Total *additional* dollars over and above aid levels in 2000, cumulated to 2009 were reduced by the allocation of these new aid dollars to refugees, students and debt cancellation, humanitarian assistance, and aid to Afghanistan, Pakistan and Iraq (over and above 2000 levels). Out of $227.2 billion in new dollars, a mere $63.1 billion or 27.8% of the total was left for potential use in poverty reduction, MDGs and other development goals in non-foreign policy priority countries.

[36] Using the DAC sector codes, aid commitments to the following sectors are included: basic education, primary health, population and reproductive health, water and sanitation, agriculture, development food aid and food security, and general environmental protection. This is compared to the trends for the total allocated sector bilateral aid for all donors.

Trends in poverty and gender equality in the Reality of Aid country cases

Each country chapter reviews conditions and trends for poverty and inequality in their country, which are often unique to that country. Taken together, however, evidence from global sources suggests a very mixed picture, with some modest progress on poverty and even inequality in some countries.

- The UNDP Human Development Index measures overall progress on important indicators for human well-being. Of 21 countries in the *Report*, in 2010, 11 were in the "medium human development" range of scores and 10 were ranked as "low human development". Between 2000 and 2010, four (4) countries (Cambodia, Ecuador, Kenya and Pakistan) improved their HDI moving from a low to a medium HDI score. All of the 21 countries improved their actual HDI score, although Lesotho improved by only 0.004 points.

- A different picture emerges when the Human Development Index is adjusted to take account of a measure of inequality in the society. Now there are 16 of the 21 countries scoring in the "low human development range". Fourteen of the 21 countries saw their score drop by more than 30% when inequality is taken into account. Half of the 21 countries were highly unequal according to the 2010 *Human Development Report*, with an average Gini measure of inequality above 0.44 (0 is complete equality and 1 is extreme inequality). Clearly, inequality remains a significant factor in measuring human development.

- The UNDP measures a Gender Equality Index, also an essential measure of progress in human development. Of the 21 countries, all but four (4) -- Ecuador, Peru, Philippines and Sri Lanka -- improved their score measuring indicators for gender equality between 2002 and 2010 (and Indonesia was unchanged).

- The 2010 *Human Development Report* measures "empowerment". Empowerment is an essential dimension of democratic ownership: "Political empowerment is about people's capacity to influence policy, make demands and call into account the state institutions that impact upon their lives. When people in poverty are unable to exert influence, states are unlikely to create enabling environments for good development results."[37] Scoring human rights violations as a proxy for empowerment on a scale between one (1) and five (5) (5 being high human rights violations), 12 of the 21 countries had a score three (3) or higher, with eight (8) ranking four (4) on this scale.

- On the measure of absolute poverty (income of less than $1.25 per day or purchasing power parity [PPP]), there was progress in most of the 21 countries. Over an eight (8) to 10 year period, 15 of the 21 countries saw a decline in the proportion of people living on this income. Nevertheless, more than 13% of the population of Bangladesh were in absolute poverty in 2005, 30% in Nigeria (2004), 20% in Lesotho and Nepal, and 10% in Ghana. These proportions increase dramatically when a $2.00 a day (PPP) poverty line is used: 80% in Bangladesh, 84%

---

[37] Eyben, Rosalind, *Supporting Inclusive and Democratic Ownership: A 'How to Note' for donors,* Institute for Development Studies, November 2010, page 13, accessed July 2011 at http://www.cso-effectiveness.org/papers,454.html

in Nigeria, 60% and 77% in Lesotho and Nepal respectively, and 54% in Ghana. Out of the 21 countries, only Peru and Ecuador had less than 20% living on less than $2.00 per day.

- From the donor point of view, total aid (in 2009 dollars) increased by only 17% between 2000 and 2009 for 23 countries in this *Report* (aid to all ODA-eligible countries increased by more than 50% in the same period). But on the proxy indicator for aid commitments to MDG sectors, there is a mixed but more positive outcome than the macro trend noted above. Half of the 23 countries had donor aid commitments greater than 40% to MDG sectors in 2009. But compared to 2000, nine (9) out of 23 of these countries had very significant declines in donor allocations to MDG sectors, while only two (2) had very large increases. Only 11 out of the 23 showed any increase in aid commitments to MDG sectors, while a total of 12 showed a decline in the percentage of aid committed to MDG sectors. This evidence shows strong, but weakening, commitment to MDG priorities in many of the countries.

This is a mixed record of overall trends in country poverty and inequality, and in aid allocations. What additional evidence do *Report* authors draw out on the impact of aid reforms? Many of the chapters bear witness to the Independent Evaluation's important observation of "the limits of aid and reforms when confronted with sufficiently powerful obstacles, such as entrenched inequalities, unless there is a powerful national commitment to change" [Evaluation, 57]. In the words of the author of the Peru chapter, "the fundamental problem is not the lack of mechanisms, but rather the absence of political will from the government [at the time of writing],

which still does not understand the importance of broad and inclusive ownership as an avenue for improving the effectiveness of development resources" [Peru chapter, 297].

Linking poverty goals and budget allocations

Poverty must be a primary objective for national development plans and actions to see significant progress. As noted earlier, several country chapters pointed to the lack of any perceptible linkages between medium- term strategies for national development and the annual budget. On the other hand, Latin American countries, Peru, Bolivia and Ecuador demonstrate that decline in poverty rates is linked to sustained increases in social spending, in which ODA has been a factor. But the Bolivian author points out that these increases in social spending do not address structural issues of employment and persistent vulnerability. Evidence in that country suggests that the number of workers in the informal sector is growing (as it is in many of the countries reviewed). Trends in formal employment have seen increasingly weak levels of social protection, longer working days, and wages that are insufficient to cover basic needs [Bolivia chapter, 242].

Several chapters confirm that aid has had an impact on some dimensions of poverty, but has largely been ineffective in supporting and catalyzing change processes that affect inequality and redistribution of social assets. In Cambodia, a decline in poverty is strongly associated with indicators in the capital city, Phnom Penh, and other urban centres. But "rural areas continue to struggle with poverty, underemployment, weak infrastructure in health and education" [Cambodia chapter, 140]. According to statistics published by the Bangladesh government, the

disparity in per capita income between the urban rich and poor has deepened, while inequality has widened between urban and rural people [Bangladesh chapter, 123]. The same is true for poverty reduction in different sectors and regions in Peru [Peru chapter, 300].

Poverty reduction and investment in the rural sector

In a number of countries, authors point to the lack of attention by government and donors to the agricultural sector in development strategies and investments, where rural poverty is overwhelming. In Bangladesh, the agricultural sector has received much less than 10% of foreign assistance between 2004 and 2008 (Bangladesh chapter, 124]. Bolivia, on the other hand, has had significant investment of ODA in agriculture and rural development (34% of ODA), but operational evaluations by various government Ministries are not done / not available to demonstrate what impact this investment has had on rural poverty [Bolivia chapter, 243].

In Guatemala, Nigeria and Uganda, land concentration and land tenure disputes have strong ramifications for rural conditions of poverty. These structural issues are not addressed in Guatemala, where "development cooperation efforts are, in practice, focused on survival mechanisms for the poor and marginalized" [Guatemala chapter, 264]. Despite government policies that favor rural sectors in Uganda, "land disputes and conflicts are common occurrences", with the size of land held by the poor diminishing and land is increasingly concentrated in the hands of the few" [Uganda chapter, 112]. Addressing the structural underpinnings of rural poverty while building institutions that promote and protect the rights of poor and marginalized rural inhabitants, is an essential ingredient in effective rural development.

Progress in the health sector? Both the Survey and the Independent Evaluation reference the considerable work in documenting the impact of aid reforms for the health sector, which suggests that reforms have contributed to better results in this sector [Evaluation, 55]. A CSO coalition, Action for Global Health, has contributed a chapter to this *Report,* which acknowledges important progress in the health sector from aid reform. But at the same time it questions "side effects for civil society, health outcomes and the MDGs that are decidedly unhealthy" [Aid Effectiveness: How to make it healthier, 321].

In summary, this chapter argues that donor coordination mechanisms in the sector are often process-oriented, not impact-oriented. Civil society, including parliament, is largely excluded from health policy decision-making, and very little aid is actually filtering down to the local level and the poor – perhaps as little as 20% of health sector budget programming. The CSO coalition study suggests there is a danger that the new focus on "value for money" in managing for results "will divert attention from the broad country context of providing health services for all – which is particularly important for the most marginalized and stigmatised groups in society" [Aid Effectiveness: How to make it healthier, 327]. Managing for results is not the same as recent donor orientation towards "financing for results". But both are highly dependent on the power of donors to decide what is a 'result'.

Gender equality and women's rights

The *AAA* makes some improved references to gender equality (deepening the *Paris Declaration* in this regard). But it is indicative that, as the

AWID[38] chapter in this *Report* points out, only 14 of 35 action plans to implement the *AAA* include gender equality commitments (and of these only two [2] donors) [An Assessment of Gender Equality and Human Rights Commitments in PD/AAA Action Plans, 316]. The *Report*'s country chapters confirm the finding of ActionAid's case studies that "gender equality is not a development priority for most of the countries reviewed and gender mainstreaming is yet to be completed".[39]

Almost all country cases document improvements in the legal protection of women's rights, but few demonstrate much progress in realizing these rights and improving gender equality. Ecuador is characteristic of other countries, where "despite these measures, the political participation of women is limited to the implementation of, rather than direct involvement in planning and developing , policies, ... [due to] the continued existence of a patriarchal order, resistance of the political parties to admission of women, harassment and forms of violence, among other factors" [Ecuador chapter, 253].

The Cambodia author documents some good progress in institutionalizing gender equality policy and preparation of gender equality mainstreaming plans. Nevertheless, a common problem with many countries' policies is that their existence is not matched with significant government investment to implement these policies. For example, a strong law on domestic violence in Cambodia is implemented by a very weak judicial system that allows perpetrators of rape and violence against women often to go unpunished [Cambodia chapter, 139].

Gender equality is essential for progress in impacts on poverty and inequality. But as AWID points out, "gender mainstreaming policies" are insufficient in themselves.

"Gender equality requires political leadership and political will, resources, capacities, participation and ownership, transparency and a development results-based approach. This is far from the experiences documented to date with some exceptions. ... The key is to go beyond mainstreaming and accept that it must be accompanied by specific capacity-action-resources for women's rights and women's organization, with the direct participation of women's groups and women's machineries (ownership and leadership from the design to the monitoring phase); and recovering gender equality as an area or policy sector itself."[40]

The importance of strengthening and resourcing women's rights organizations for progress in gender equality is born out in the Senegal case. Here significant progress has occurred "in large part as an impact of the work done over the past decades by women's organizations, which are very active, well organized and politically very influential" [Senegal chapter, 97]. In Peru, women's organizations are also influential and have participated directly in the formulation of a National Plan for Equal Opportunities.

In answer to the DCD Survey's "Optional Module on Gender Equality", only a third of 23 countries

---

[38] Association for Women's Rights in Development.

[39] ActionAid, *op. cit.*, p. 17.

[40] Quoted in Schoenstein and Alemany, *Development Cooperation Beyond the Aid Effectiveness Paradigm: A women's rights perspective: A Discussion Paper, op. cit.,* page 11.

that answered this module indicated they had identified some gender equality objectives or targets in their plans. Where gender equality is stated as a priority, the Survey acknowledges that "little or no financial resources are allocated for implementing specific activities and monitoring progress" [Survey, 18].

However, progress has been identified by CSOs in some countries such as Uganda: "The new National Development Plan also focuses on the reduction of gender-based violence, the promotion of women's rights and the economic empowerment of women, and clearly spells out planned interventions. This prioritization for gender equality and women's rights is further strengthened by the allocation of funds in the national budget" [Uganda chapter, 114]. Indeed, at least nine (9) of the country chapters explicitly mention that donor priorities for gender equality have been an important catalyst in their country.[41]

In summary, it is difficult to draw definitive conclusions on the impact of aid reform, or aid more generally, on broad indicators of progress against poverty and inequality. But CSOs have been able to draw upon their own experiences and stories of the many challenges and some successes. As the Independent Evaluation notes there are important reasons, beyond aid, for slow and limited progress, if any, to date. These include deep regional and cultural disparities in some countries, weak capacities to implement policies, and insufficient attention to the needs of women and girls [Evaluation, 47].

Several *Reality of Aid* authors also point to a lack of discussion of an appropriate development model for the country in understanding this seeming lack of progress.[42] "[An appropriate model] should be about building a proposition for endogenous and sustainable development, one that reflects the aspirations of large segments of the population. That way, cooperation would be an actual companion and not a substitute for national effort." [Guatemala chapter, 266].

Conclusions and recommendations

The *Paris Declaration* and the *Accra Agenda for Action* have provided an unprecedented opportunity for both donor and developing country governments to invest in change. In fact, with the evolution of an inclusive Working Party on Aid Effectiveness, an important accessible and participatory global forum has been created for open debate on issues and areas of common interest in development cooperation. Unfortunately, the evidence presented in the *Reality of Aid* country studies, and in many ways confirmed by the Independent Evaluation and the DCD Survey, suggests that the distance travelled for aid and development outcomes has been very modest at best.

Deep-rooted structural and political barriers at many levels stand in the way of reforms that would sustain fundamental and far-reaching investments in a more equitable and just social order. The context for reforms, as described in the country chapters, is a global and domestic architecture for development. This architecture continues to be defined by highly unequal dynamics of power,

---

[41]   Peru, Cambodia, Cameroon, Guatemala, Lebanon, Lesotho, Nepal, Senegal, Uganda.

[42]   In Peru and Ecuador, a continued resource-extraction model has led to significant resource conflicts that have pitted indigenous communities against resource extraction companies [Peru chapter, 17]. In the Philippines there are major negative impacts on local communities and loss of livelihood from infrastructure projects supported by ODA. Project implementers provide little information to affected communities. [Philippines chapter, 9-10]

restrictions on citizens' voices and unsustainable models of development, rather than solidarity, democracy and human rights.[43]

Meaningful change can and must transcend these barriers, which are largely defined by economic and political interests, social class and donor control over 'knowledge' and 'results'. Transformational outcomes require all development actors – governments, donors, CSOs, the private sector – to respect their Millennium pledge and human rights obligation to "spare no effort" in taking up their respective responsibilities to serve the public good. These efforts give priority to strengthening people's participation, well-being and their capacities to claim their rights.

Each day millions struggle to renew and improve their livelihoods and to sustain their families and communities, not only in the poorest countries, but also in many so-called "middle-income countries" [Mexico chapter, 283]. They are on the "front-lines", experiencing the impacts of increasingly profound and multiple global crises – food insecurity, environmental degradation and climate change, fragile international financial regimes, and the scandal that billions of people, the majority of whom are women and girls, continue to live in unacceptable conditions of poverty, disrespect and injustice.

A new Busan "Development Compact" coming out of HLF4 in 2011 will be judged by its practical commitment and objectives to address these development challenges. The outcome should motivate all development actors to work synergistically to implement democratically-owned development strategies that address country-specific conditions of poverty and inequality and barriers to social and political inclusion. The outcome must deepen and go beyond aid effectiveness in committing to development effectiveness. The latter takes up measures that can identify and tackle the root causes of poverty, the rights of women and girls, inequality, discrimination, violence and conflict at all levels.

Aid as a development resource can be an important catalyst in the global responses to these crises and conditions, particularly if donors were to meet their commitment to allocate at least 0.7% of the Gross National Income to these efforts. The Busan High Level Forum will shape the use of these resources not only by strengthening and deepening the Paris and Accra principles. But it must also be informed by a coherent and rights-based development effectiveness paradigm, one that puts inclusive democratic ownership and the rights of people at its heart.

The proposed components for a 'Busan Development Compact' along these lines have been outlined by civil society in the global preparations for Busan[44], but also in many country-level consultations on the ways forward at the country level. Several of the chapters of this *Report,* such as the chapter addressing the right to health, add specificity to these global proposals.

---

[43]   See BetterAid, *Making development cooperation architecture just: Governance principles and pillars, March 2011, accessed July 2011 at http://www.betteraid.org/en/betteraid-policy/betteraid-publications/policy-papers/401-making-development-cooperation-just-governance-principles-and-pillars.html.*

[44]   See BetterAid, CSOs on the road to Busan: Key messages and proposals, April 2011, accessed July 2011 at www.betteraid.org

In summary, civil society organizations are calling for ...

1. Putting inclusive democratic ownership at the heart of development effectiveness.

2. Implementing development strategies and practices based on international human rights standards and norms.

3. Affirming and supporting CSOs as independent development actors in their own right.

4. Proposals for an inclusive, rights-based and accountable international aid architecture, with an open space for public debate on directions and trends in international cooperation.

1. All development actors must put inclusive and democratic ownership at the heart of commitments to realize development effectiveness in effective and legitimate states, accountable to their citizens. In doing so, donors and developing country governments should ...

a) Address the current absence of meaningful multi-stakeholder policy dialogue at country level. They should do so by implementing conditions and practices for effective, transparent and broad-based inclusive mechanisms for determining, implementing and monitoring development strategies. Such mechanisms should only include legitimate development actors rooted in country processes to achieve development outcomes.

b) Identify and implement practical ways for improving incentives and allocating resources for capacity development that strengthen all development actors for country leadership and ownership. All stakeholders should put into practice the lessons and commitments made in the Cairo Consensus on Capacity Development[45].

c) Strengthen the political space and capacities of parliaments to fulfill their mandate to monitor, analyze and approve overarching development strategies and review annual budgets linked to these strategies. Parliaments and CSOs should be encouraged to create synergies with civil society and other community actors to strengthen domestic democratic accountability for development outcomes.

d) Create the space for determining policy alternatives at the country level by continuing to implement aid reforms: 1) eliminating donor policy conditions attached to aid, 2) formally and informally untying all donor aid (giving priority to local procurement), 3) giving priority to the use of country systems through program-based approaches and demand-driven technical assistance, and 4) by making aid flows predictable, reliable and publicly accessible.

e) Establish regular multi-stakeholder processes in developing and donor countries, inclusive of legitimate development actors, to monitor HLF4 commitments and identify further reforms at the country level.

---

[45] *The Cairo Consensus on Capacity Development* was the outcome of a multi-stakeholder conference held in Cairo in March 2011 focusing on challenges faced since Accra in making the concept and key principles of capacity development more operational. It is accessed July 2011 at http://www.lencd.org/news/2011/04/14/cairo-consensus-capacity-development-call-action.

2. All development actors should use international human rights standards to frame and implement development strategies and practices, including specific development goals and objectives, with attention to the rights of women and girls, the right to development, and environmental justice. International human rights standards implies ...

a) Adhering and implementing guarantees for political and civil human rights underlying democratic ownership: freedom of association, freedom of expression, freedom of movement, the right to operate free from unwarranted state interference, the right to communicate and cooperate, the right to seek and secure funding by all development actors, and the state's duty to protect.

b) Measuring the appropriateness of the allocation of aid, development policies and approaches, by their impact on highly discriminated and excluded people, especially indigenous people and cultural minorities, women and girls in all their diversity.

c) Placing women's rights and gender equality at the center of achieving goals for development effectiveness. Actions are based on existing gender equality and human rights obligations, and should allocate dedicated resources for their realization. The focus should not only be on gender mainstreaming, but likewise on giving priority to dedicated resources and improved capacities for women's rights-specific programming.

d) Promoting and implementing the highest standards of openness and transparency applicable to all aid actors. These standards should be consistent with the International Aid Transparency Initiative (IATI) standards, include gender disaggregated data and program information, and integrated with public budget accountability for all government resources for development.

e) Developing approaches, tools and multi-stakeholder mechanisms to assess the effectiveness of the use of development resources, including aid, in ways that give priority to the rights of affected populations and empower them to determine appropriate development "results".

3. All development actors should affirm and support civil society organizations as independent development actors in their own right, in their full diversity, but differentiated and complementary to other actors. This is an essential characteristic of broad-based country ownership. Donors and developing country government should...

a) Endorse fully the *Istanbul Principles for CSO Development Effectiveness* and acknowledge the *International Framework for CSO Development Effectiveness of Siem Reap* as building blocks for donors and governments to work with civil society to put the *Istanbul Principles* into action.[46] CSOs globally acknowledge their commitments to strengthen their development effectiveness as outlined in the *International Framework*.

b) Meet their Accra commitment in ways that address the deteriorating conditions in many countries for civil society as actors in their own right. Developing country

---

[46] See the *Istanbul Principles* and the *International Framework* at http://www.cso-effectiveness.org/spip.php?page=rubrique&id_rubrique=52.

governments and donors can do so by implementing in dialogue with CSOs minimum standards for an enabling environment in their country. Proposals for these standards are set out by the Open Forum on CSO Development Effectiveness in its *International Framework,* and addressed by the multi-stakeholder Task Team on CSO Development Effectiveness and Enabling Environment in its *Key Findings and Recommendations for Busan.*[47]

c) Strengthen resource allocations and capacities of women's rights organizations to represent and address the conditions for women's rights and gender equality at all levels, including their direct representation in all mechanisms and consultations on country-level development strategies.

d) Promote productive economic development focusing on decent work and livelihoods, involving all development actors, including trade unions and the private sector, based on recognition of economic and social rights, social inclusion and dialogue.

4) The HLF4 should put forward proposals for a reformed aid architecture that recognizes new aid actors and emerging realities in international development cooperation and that is inclusive, rights-based and accountable. These proposals should include:

5. Donors to commit to specific published timetables to allocate 0.7% of their Gross National Income (GNI) to ODA. Focused country allocations should be based on a commitment to address poverty and inequality in all developing countries, not only in a select set of fragile/conflict countries, with the latter often based on donor foreign policy or economic interests.

6. Governments and donors work with all legitimate development actors to create inclusive multi-stakeholder "country development compacts". These compacts must be grounded in internationally and mutually-agreed enforceable principles and commitments that can be monitored. Global agreements must respect the diversity of country context, the rights of all affected population in each country and the importance of inclusion of non-national country development actors (such as local governments and CSOs).

7. Deepen south-south and triangular cooperation for peer capacity building, knowledge sharing and development progress. These forms of development cooperation must respect and strengthen human rights and a democratic framework so that the acclaimed advantage of southern donors in terms of their avowed respect for sovereignty and policy of non-interference is not abused.

---

47   The Task Team's Key Messages and Recommendations in available at http://www.cso-effectiveness.org/-multi-stakeholder-task-team,079-.html.

Annex 1 An Assessment Grid for Democratic Ownership and Development Results

ASSESSMENT DIMENSION	SCORING CRITERIA
Multi-stakeholder consultations with CSOs, local communities, women and vulnerable groups in preparation of development strategies.	1. No consultations; 2. Perfunctory consultations with some stakeholders; 3. Episodic consultations with some inclusiveness; 4. Episodic consultations, broad range of inclusion, some inputs taken into account. 5. Regular institutionalized consultations, broad range of inclusion including local communities, evidence that input taken into account.
A functioning multi-stakeholder body tasked with preparation and monitoring implementation of national development strategies.	1. Body exists but seldom meets or have any influence on plan; 2. Body exists, but only government officials are members; 3. Minimal stakeholder involvement in body; 4. Inclusive body, but irregular contributions; 5. Inclusive body, meets regularly, processes multi-stakeholder input.
Access to information laws and aid database.	1. Law / database but no evidence of implementation. 2. Information system or database exists, but little evidence that CSOs can access relevant information; 3. Some access to information, difficulties, limited data and information; 4. Good access, with improvements in information coverage; 5. Full and timely access to information, IATI consistent data, open source format.
Capacities for oversight of development strategies and effective measures to address corruption.	1. Some policies and laws, but little known or implemented; 2. Minimal oversight and implementation of laws on corruption; 3. A degree of effective oversight, with some investigation of corruption; 4. Strong parliamentary oversight, evidence that laws on corruption implemented with consequences; 5. Parliamentary committee, laws on corruption enforced with evidence of cases completed.
Sustainable development outcomes for poor and vulnerable populations with progress in gender equality and women's rights.	1. Poverty increasing, minimal attention to gender equality, few relevant aid priorities; 2. Poverty decreasing, some institutional commitment to gender equality, but no clear linkages with aid priorities; 3. Poverty decreasing, some implementation of gender equality policy, some overall linkages between specific priorities for poverty reduction and aid priorities; 4. Poverty decreasing, gender equality is government priority, some evidence of impacts from aid priorities; 5. Poverty decreasing, strong gender equality priority in government, evidence of impact from aid, including some changes to structural conditions affecting inequalities.

Annex 2 BetterAid (in cooperation with Open Forum on CSO Development Effectiveness): CSOs on the road to Busan: Key messages and proposals

CSOs are calling upon all development actors to achieve a bold forward-looking outcome at the Busan Fourth High Level forum. Substantial progress in four (4) inter-related areas of reform is essential for a meaningful and ambitious *Busan Compact on Development Effectiveness*:

a) Fully evaluate and deepen the Paris and Accra commitments through reforms based on democratic ownership.

- Address the failure to make progress on Paris and Accra commitments.

- Carry forward and strengthen the Paris and Accra commitments through realizing democratic ownership in development cooperation:

  - Establish democratic ownership as the core aid and development effectiveness principle.
  - Give priority to inclusive multi-stakeholder policy dialogue.
  - Use country systems as the first option.
  - End policy conditionality.
  - Fully untie all forms of aid.
  - Implement demand-driven technical assistance.
  - Address the unpredictability of aid flows.
  - Orient private sector development for self-sustaining livelihoods.

b) Implement full transparency as the basis for strengthened accountability and good governance:

- Create and work with clear inclusive accountability frameworks at country and global levels.

- Adhere to and implement the highest standards of openness and transparency by all aid actors.

c) Strengthen development effectiveness through development cooperation practices that promote human rights standards and focus on the eradication of the causes of poverty and inequality.

- Commit to and implement rights-based approaches to development.

- Promote and implement gender equality and women's rights.

- Implement the Decent Work Agenda as the cornerstone for socially inclusive and sustainable development strategies.

d) Affirm and ensure the participation of the full diversity of CSOs as independent development actors in their own right.

- Endorse the Istanbul Principles and acknowledge the Open Forum's International Framework for CSO Development Effectiveness to put these Principles into practice.

- Agree on minimum standards for government and donor policies, laws, regulations and practices that create an enabling environment for CSOs.

e) Promote equitable and just development cooperation architecture.

- Launch an inclusive Busan Compact at HLF4, which brings together specific time-bound commitments and initiates fundamental reforms in the global governance of development cooperation.

- Create an equitable and inclusive multilateral forum for policy dialogue and standard setting.