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## Speeding up progress towards poverty eradication

### Accra Agenda for Action: Aid Effectiveness Reviewed

The principles of the Paris Declaration have been a welcome contribution to the debate on Aid Effectiveness and Financing for Development, especially in its promotion of democratic accountability, and ownership domestically.

However, it contains targets and indicators for 2010 which contradict these principles.

The success of the review by the Accra Agenda for Action lies in its ability to remove the contradictions between the broadly endorsed principles of the Paris Declaration and the often criticized implementation mechanisms of those, including the targets and indicators set for 2010, creating obstacles to the implementation of the Millennium Development Goals (MDGs).

There is a need for linking reforms in aid modalities to outcomes on poverty eradication. The aid effectiveness debate is focusing strongly on technical mechanisms of the aid delivery system and often omits the link between increasing aid effectiveness and reducing poverty and inequality as expressed in the MDGs.

Emphasis is now being placed on improving the effectiveness of how to disburse aid, but little attention is paid to the cost-benefit of aid to different areas. With regards to the aid effectiveness agenda, it should be recognised that the causes of inefficiency in the use of aid are duplication, as well as tied aid, the volatility of finances, and the unpredictability of aid, and incoherent policies.

Today, around 780 million people are living in the poorest countries of the world. These countries are officially described as the Least Developed Countries (LDCs). It is interesting to note that in 1971, the United Nations (UN) identified 24 countries as LDCs, recognizing them as the most vulnerable of the international community. During last three decades, the number of LDCs has increased to 49. The vulnerability of the LDCs was re-exposed severely during the last one and half year when the food and fuel crises began to affect the world poor. Food riots have happened in 8 LDCs between 2007 and the first half of 2008. The eight countries are Burkina Faso, Guinea, Haiti, Mauritania, Mozambique, Senegal, Somalia and Yemen.

In order to achieve the MDGs and to ensure the efficient use of aid resources the EU should urgently give leadership to create a much needed wide-ranging, ambitious and coherent agenda for both Accra and Doha. On the way from Accra to Doha and beyond there is a double challenge: Governments must find ways to increase the real transfers of official resources to countries in the South and to leverage an increase in domestic public resource mobilisation, but they must also agree urgent measures to hedge the risks of the current financial crises and a looming US recession for developing countries.

The EU must actively take leadership in Accra as a step to the preparations towards the Doha UN Conference for Financing for Development, so that the following issues can urgently be addressed at a global level:

- A challenge to donor dominated and donor driven processes governing donor-recipient relationships as a means towards the creation of real ownership. Overcome the donor-dominated OECD led processes with processes based on inclusion of all Southern governments, especially in the newly created Development Cooperation Forum within ECOSOC at the UN to provide global leadership on global strategies for international co-operation.
- Resolve the inherent conflict between the broad themes of the Paris Declaration and those underlying progress indicators that seem to promote potentially harmful economic policies. For instance by calling for non-discrimination of foreign TNCs indicator 2b seems to be motivated by donor interests in accessing public procurement in developing countries. In addition indicator 2a on public financial management does not enhance partner's national ownership but in stead follows the World Bank's CPIA.
- Have contract procedures attached to aid used for public expenditure so as to govern the handling of aid with good financial governance practices, thereby replacing policy conditionality. These should be subject to parliamentary accountability and scrutiny.
- Identify clearly defined processes of dialogue with and inclusion of engagement with civil society organisations as a basis for national policy-setting so as to ensure ownership. These processes to be undertaken jointly by national governments and by donors.
- De-link alignment with IMF conditionality which create obstacles for poverty eradication and stop linking of aid to harmful macroeconomic policy conditions.
- Promote the contribution of CSOs in capacity building and oversight in public financial management. Enhance CSOs playing a role in strengthening democratic accountability by providing a platform for groups that do not have access to the political elite. These voices are particularly necessary in areas to which the poorest and most marginalised groups have least access.
- Ensure transparency in donor aid flows, and public availability of data concerning these flows, including public access to government-to-government contracts.
- Ensure parliamentary scrutiny in General (and Sector) Budget Support programmes which should be subject to parliamentary control both domestically and by parliaments in donor countries;
- Ensure the cost efficiency of aid to improve aid effectiveness. It has been shown in different research that reproductive health supplies are very cost-effective: US\$1 million for commodities can prevent 800 maternal deaths, 11,000 infant deaths, 14,000 additional deaths of children under 5. Outcomes of this size would have exponential impact on the achievement of other development outcomes, and are crucial to the attainment of MDG 4 and 5.
- Promote the realisation of the international Human Rights Treaties and ILO Conventions, the Beijing Platform for Action, and ensure the implementation of the Human Rights Treaties and International Programmes of Action including with regards to the environment. Give particular emphasis to the implementation of the Brussels Programme of Action for Least Developed Countries; and realize gender justice and respect for human rights obligations under international laws in all national budgets.
- Create adequate mechanisms to fund the main priority areas of the MDGs, which should include sustainable financing mechanisms (including sector and general budget support) for salaries for teachers and health workers, and ensure access for women to sexual and reproductive health and rights.
- Ensure inclusive social security with regards to health, education and pensions and create inclusive accessible and affordable social security systems.