

WORKING PARTY ON AID EFFECTIVENESS (WP-EFF)

DRAFT SUMMARY OF DISCUSSION ON THE ACCRA AGENDA FOR ACTION (AAA)

First consultative draft

2-3 April 2008

1. The Working Party engaged in a full and rich discussion on the 1st consultative draft of the Accra Agenda for Action [DCD/DAC/EFF(2008)3]. Members made both general and specific remarks on the AAA and offered suggestions on ways to improve it and move ahead with the consultation process.

I. General remarks

2. There is a strong consensus on the need to make the document politically more appealing, less technocratic, and more ambitious. It should be linked to the MDGs and the Doha process, focus on the six priorities identified by partner countries and strike a better balance between donor and partner commitments giving a stronger voice to partner's views in forthcoming consultations. In particular, Members emphasise that the AAA should:

- **Attract political attention.** The current draft is too technical and lacks the vision to attract Ministerial interest and re-energise political momentum. It should be clear that aid effectiveness is not just a technical agenda but intrinsically a political agenda requiring high level support and far-reaching reforms to achieve development results. The next draft will have to signal strong political messages and better articulate the concrete actions that Accra needs to address. It should also be understood by a wider public and resonate with the media.
- **Set ambitious actions and commitments.** To be credible the AAA should also set out far more ambitious actions particularly in specific areas where identified constraints are impeding progress. The current draft fails to match the level of commitment that many donors and partners are prepared to make. All agree to raise the level of ambition and sharpen the commitments but, as noted by some members, the challenge eventually will be to come up with a draft that is acceptable by all.
- **Link aid efficiency to development effectiveness.** Set in the context of the Monterrey consensus and the scaling –up of aid, the AAA should be embedded in the major 2008 international events: the UN Development Co-operation Forum (July) and the Doha Conference on Financing for Development (December) showing that progress on aid effectiveness is a major driver to help achieve the MDGs. The AAA should emphasise how reforming the aid relationship and building partnerships around the principles of the Paris Declaration is the new frontier to make better use of aid money and unleash the potential of aid to help reduce poverty. Steps should be taken to ensure that the AAA is reflected in the Doha outcome document.
- **Strengthen partner country voice.** Ghana urges partner country colleagues to take ownership of the AAA and steer the contents taking advantage of the upcoming regional

consultations. Members are concerned that the current draft is too donor-centric. Commitments for donors and for partners should be clearly distinct and more balanced following the reciprocity of the Paris Declaration. In particular, partner countries' lead should appear more prominently in the selected actions. It is agreed that the AAA should focus squarely on the six priorities identified by partners at the last meeting: conditionality, predictability, division of labour, capacity development, incentives and aid untying.

3. **AAA Format.** In Members' opinion, the length of the text is right and further iterations will have to remain short and focused. While some agree to keep the proposed structure along the five PD principles, others suggest organising the draft around the six partner country priorities which are largely shared by donors, integrating further actions as they emerge from the foreseen rounds of consultations.

II. Specific comments on priority actions

4. Specific suggestions made in the course of the discussion are drawn together and summarised below under the relevant AAA paragraphs to facilitate further comments and revisions.

5. **Preamble.** The preamble should say more on cross-cutting issues -- gender, environment, human rights – and some members argue that they also deserve specific mention in the main text building on the Dublin and London workshops. There should be a stronger elaboration on the links between changing aid practices and development effectiveness. Some members also suggest strengthening references to CSOs, non-DAC donors, fragile states and the private sector as well as include policy coherence as a major determinant in the development agenda.

§ 3 – Partnerships with non-DAC donors. References to non-DAC donors in the preamble are seen as too weak. A number of Members make the case that the AAA offers a strong political opportunity to draw in non-DAC donors who have not fully taken part in the dialogue on aid effectiveness and, in some cases, may still perceive the Paris Declaration as a North/South agenda rather than one that also encompasses South/South co-operation. The AAA could go a long way to narrow this “legitimacy gap” by recognizing the particularities and strengths of non-DAC assistance (e.g. trilateral co-operation, etc). It is further stressed that the prerequisites are in place since the five PD principles should be acceptable to most, if not all non-DAC donors. The informal working group co-led by Japan and Russia will provide specific suggestions to strengthen the text.

§ 9 – Ownership. Members call for a much stronger focus on the broader concept of ownership and leadership by partner countries. It would require introducing the importance of democratic governance and broad-based ownership which are about effective institutions that extend beyond public financial management and procurement to encompass the need for a strong parliament, functioning local institutions and active civil society engagement in policy. It is suggested to think through what hinders national ownership in order to identify and deepen priority actions in this area.

§ 10 – Conditionality. Members support a stronger commitment on reducing conditionality although removing all conditions as requested by CSOs would not be acceptable. While it is a difficult political issue, donors agree that they need to live up to their promises and make a tangible commitment to mutual accountability. The World Bank and IMF would not be able to commit to an international code of conduct on conditionality as suggested in the draft, having recently developed and adopted good practice principles. As a result, some Members suggest including instead a commitment to apply the existing principles which have benefitted from broad consultations and are already operational, and to start doing it at once rather than waiting for 2010.

§ 11 – Use of country systems - capacity development. It is suggested to re-organise sequencing in this paragraph. It should start with the quality/transparency of country systems, demand-driven capacity development, needs-based and non-earmarked technical co-operation, and finally the use of country systems. Members ask for stronger wording stressing that donors need to be held accountable for the use of country systems when these are upgraded. Strategies to increase the use of country systems should also have clear results frameworks. In addition, the paragraph should stress that actions need to take place primarily at country level while recognizing the value of international tools such as the PEFA framework. The text will have to be sharpened on capacity development bringing the issue also beyond country systems in other parts of the document.

§ 13 – Predictability. All concur that predictability is a priority issue rightly identified by partner countries and on which donors need to deliver. Instead of agreeing on commitments by 2010, specific actions should be included in the AAA for agreement in Accra. It is advocated that a lot can be done to increase transparency, for instance, through ex-ante reporting of commitments and estimated disbursements mainly to partner countries but also to international institutions such as the DAC. There is also need for a commitment on providing quicker ex-post reporting on actual flows. Greater transparency would also mean extending such commitments to non-DAC donors and vertical funds. Finally, it is suggested to rely on the SPA recommendations on putting aid on budget when setting priority actions in this area.

§ 15 – Aid untying. The paragraph remains vague and deserves to be more specific if it is to respond adequately to what is an accepted partner country priority.

§ 16 - Civil society. The reference to a joint statement of good practice on civil society and aid effectiveness will have to be changed as it became clear in the dialogue with CSOs the previous day that CSOs will not be endorsing the AAA which is a donor/partner agreement. However, Members want to stress the value of civil society as important development actors with an essential role in ownership and accountability. The text should also refer to the effective partnership with CSOs in the lead-up to Accra. Besides, several Members ask for an explicit recognition of the role of the private sector and some request that representatives of the private sector be invited to Accra and involved in the Roundtables.

§ 17 – Global programmes. The language should be stricter on vertical programmes and their compliance with the Paris Declaration. It should point to remaining significant challenges while recognizing progress made by global programmes in integration, joint planning and pooling. It should also include a call on funders to consider whether collective action needs earmarked funds or can be channelled through existing institutions. The Global Fund offered to provide proposals on both lessons learned since Paris and actions looking forward.

§ 18 – Division of labour. The commitments should be much more ambitious moving straight to better division of labour at country level without going through a long consultation process stretching to 2010. Many emphasise that division of labour must be owned and driven by partner countries. Non-DAC donors, in particular, caution that division of labour should not be based on comparative advantage but rather left to partner countries articulating their own choice. The text will be re-drafted in light of the latest findings from the Task Team on aid rationalisation and complementary.

In addition, Members ask that the reference to the EU Code of Conduct be removed in line with the decision to **remove mention of specific documents** in the AAA that do not engage the wider development community. The EC clarifies that its Code of conduct is not offered as an international standard but as a user's manual and insist on having at least a few operational principles reflected in the AAA even if the EU is not specifically mentioned.

§ 19 – Climate change. Members welcome the reference to climate change asking that it be made even more explicit with stronger commitments. The text should call on donors to conduct their work in line with the PD principles of ownership, harmonisation, alignment and results.

§ 20 – Legal harmonisation. The question is raised about the need to refer to the legal harmonisation initiative which is unknown to most participants.

§ 21 – Incentives. Members agree on the need for stronger incentives but the issue is to identify what kind of incentives, and which ones should be selected for concrete actions in the AAA. It is suggested to have a closer look at the issue through the peer reviews and the monitoring survey.

§ 23 – Mutual accountability. Results and mutual accountability need much more focus as central topics for the future and as means to demonstrate impact on poverty, MDGs, and other cross-cutting issues. The commitments should build on work achieved by the JV-MfDR. A point should be made also to move away from donor-driven evaluations and encourage joint evaluations in order to improve capacity, ownership and mutual accountability.

§ 25 – Looking forward – Monitoring. Members express scepticism about introducing new international monitoring mechanisms and reaffirm the need to work within existing systems with a renewed focus on country level monitoring processes. Recalling that the strength of the Paris Declaration lies in the indicators, several members push for a time-bound AAA with measurable commitments on the priority actions. Finally Members indicate that at

some point in the consultation process it will be necessary to be clearer on the post Accra agenda.

6. **Missing elements.** Several omissions are noted including the need to mention PRSPs and national development strategies in relation to alignment, the importance of statistical capacity not least for driving the development results agenda, and to insert the regional level in order to engage sub-regional organisations in PD and AAA implementation.

III. Next steps

7. The Secretariat drew attention to the document on the AAA consultation process which was updated on the spot to take account of WP-EFF discussions [DCD/DAC/EFF(2008)9/REV1]. It provides a template for submitting written comments on the first draft which are expected by 18 April 2008 addressed to aaa@accrahlf.net.

8. The Chair summarised the discussion in twelve key points which were distributed at the meeting (see attached annex). Responding to Members' serious concern about using the first draft AAA as a basis for regional consultations, the Chair indicated that a menu of options reflecting WP-EFF suggestions would be added to the current AAA draft as a guide for discussion in the regional workshops, DAC High Level meeting and other upcoming fora¹.

9. The menu of options will be available on 24 April after review by the HLF-3 Steering Committee. The next version of the AAA building on the menu of options and reflecting consensus emerging for the April-May consultations will be circulated on 12 June.

¹Except for the Pacific regional consultation planned earlier on 4 April but the Chair's twelve points summary will be distributed to participants.

WORKING PARTY ON AID EFFECTIVENESS (WP EFF)

**TWELVE POINTS SUMMING UP THE
DISCUSSION OF FIRST CONSULTATIVE DRAFT OF AAA**

Note by the WP-EFF Chair

2-3 April 2008

- Need to have strong partner country input into the AAA; the priorities for action need to have partner country views. We're still at the beginning of the time for partner country input, including the regional workshops.
- Everyone wants a more ambitious AAA. We want to see proposals to move key issues forward and challenge the present system.
- Need language that is less donor centered, less technical and more political. Needs to be understandable by ordinary people, AAA needs to be understood by media and ordinary people.
- Agree that focus should be both on the 5 principles of the Paris Declaration and the 6 issues prioritized by the partner countries (conditionality, untying, incentives, division of labour, predictability and capacity development).
- All agree we need to take stock of what has happened, what has been achieved, what are the bottlenecks, what to do to deal with these; this should be based on evidence from monitoring, evaluation and progress reporting.
- Need more concrete forceful one-liners; this is an action agenda and we need to live up to those words.
- Preamble needs to put AAA and Paris Declaration in the development context, and show the vision of the Paris Declaration, which means changing the relationship between donors and recipients.
- Forward looking part needs to be more ambitious and visionary as well. It needs to be realistic but also show more appetite for those who believe this document should look forward from Paris.
- We need to see stronger profiling of crosscutting issues: gender human rights, environment including climate change.
- We need more precise language on CSOs.
- There is a need for some kind of political message re non-DAC donors; maybe in the preamble or elsewhere, to bridge the gap between DAC and non-DAC.
- With all these good ambitions, still need to keep the document to 4-5 pages; this will be a great challenge to the Secretariat.