



ACCRA 2008

CHAIR'S SUMMARY

Third High Level Forum on Aid Effectiveness

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FOREWARD

**By the Minister of State, Ministry of Finance and Economic Planning
Republic of Ghana**

**A tribute to the late Mr. Kwadwo Baah-Wiredu (1952-2008)
Minister of Finance and Economic Planning, Republic of Ghana (2005-2008)**

It was with deep sadness that we learned of the demise of Mr. Kwadwo Baah-Wiredu on September 24th, soon after the end of the Accra High-Level Forum. His vision and deep understanding of aid effectiveness issues contributed greatly to the success of the Forum. As the convenor of a group of Ministers from the Highly-Indebted Poor Countries, he has helped leaders to share their experiences so as to make progress in using debt-relief for poverty reduction. His role as the first African co-Chair of the Strategic Partnership with Africa set an important precedent and sent a clear message to the world. During the Forum, his sense of humour helped to bring the difficult negotiations around the Accra Agenda for Action to a successful close. His passion and his guidance will be missed during the coming months and years as the international community puts the AAA into effect.

“The vision exists. We know what needs to be done. But we are not doing it enough.”¹

For three days in September 2008 the international aid community met in Accra, Ghana, to wrestle with the many-faceted issue of how to make development aid more effective—how to deliver and use it so that it can have the greatest possible impact in reducing poverty, promoting peace and prosperity, and achieving a better life for all.

A sense of urgency and accountability, and at times passion, pervaded the Accra High Level Forum (HLF), driven from the highest political levels by heads of state, ministers, and heads of development agencies. Speaker after speaker reminded us of the severity of the challenges we face and urged us to act to meet those challenges.

The Accra HLF was surely one of the most thoroughly prepared conferences ever: it had been preceded by months of public consultations including nearly a dozen regional meetings that elicited the thoughts and concerns of hundreds of representatives of governments, aid institutions, parliaments, global funds, and civil society organizations. The sessions in Accra were designed to focus attention on these concerns and promote broader discussion of them.

But as engaging and valuable as it all was—the presentations, the Roundtables, the discussions, the Marketplace of Ideas, the side events, the conversations with colleagues from around the globe—what

¹ « La vision existe. Nous savons ce qu'il faut faire. Mais nous ne le faisons pas assez. » Statement in Plenary on September 4th by Louis Michel, Commissioner for Development and Humanitarian Aid, European Commission.

the world will remember from this event is the Accra Agenda for Action (AAA). The AAA had been drafted through the same process of consultation that informed the HLF itself, but what we brought to Accra was not by any means a finished product. It took days of hard negotiations at the political level to craft the final document, one that has real substance and serves to increase the political momentum for implementing the Paris Declaration.

The AAA imparts a sense of urgency, acknowledging that, although there has been progress, much more work is necessary if we are to meet the challenges of development today. It contains strong commitments by partner countries, donor governments and development institutions to promote greater country ownership, build more effective and inclusive partnerships with a wide range of development actors, and achieve—and account for—development results.

It contains measures to strengthen accountability and transparency, change the nature of conditionality, increase the predictability of aid, and enhance the use of countries' own systems. It notes the importance of capacity building and of South-South cooperation. It recognizes new development actors—middle income countries, global funds, the private sector, civil society organizations—and calls for improving the division of labour, untying aid, and adapting aid policies for countries in fragile situations. And it looks forward, noting that the aid effectiveness agenda is part of the broader financing for development agenda, and linking it both to the MDG High Level event in September and to Doha in November.

We are under no illusions--the AAA is a challenging agenda. But I think I can speak for all the participants in the HLF—those who were in Accra, those who were involved through the preparations, and those around the world who paid close attention to what we were doing in Accra—when I say that we are confident that, with strong political support and the dedicated efforts of all actors, we can translate this Agenda into meaningful actions to increase the effectiveness of aid and bring nearer “a future in which no countries will depend on aid.”

Dr. Anthony Akoto Osei
Minister of State,
Ministry of Finance and Economic Planning
Republic of Ghana

SUMMARY REPORT ON THE THIRD HIGH LEVEL FORUM ON AID EFFECTIVENESS

ACCRA, 2 – 4 SEPTEMBER 2008

The Third High Level Forum (HLF) exceeded expectations. It was held in Accra on 2- 4 September 2008, to accelerate reforms to the processes by which developed and developing countries work together to ensure that development assistance is well spent. The Forum brought together some 1700 participants, including ministers, heads of development agencies, civil society organisations, parliamentarians and foundations from more than 125 countries and 30 institutions. It was organised by the OECD and the World Bank, together with the Government of Ghana, which hosted the event.

The Forum took place at the half-way mark between 2005, when the Paris Declaration on Aid Effectiveness was endorsed by over 100 governments and development agencies, and the 2010 target date for delivering on the commitments they made.

The Accra Agenda for Action (AAA) was endorsed at the Forum. In essence, developing countries are committing to take control of their own futures, donors and other development actors to deliver and manage aid differently, and co-ordinate better amongst themselves, and both parties to account to each other and their citizens.

The programme of events in Accra² covered, first, the setting for the Forum, followed by the nine Roundtables and the ministerial debates. These main elements of the programme are reflected in chapters 1, 2 and 3 respectively of this summary report. Boxes in the text describe the Marketplace of Ideas and the side events.

² See annex 1.

1. THE SETTING FOR THE HLF

1.1 THE ROAD TO ACCRA

The HLF built on a foundation of previous commitments and actions which recognised that increasing the amount of aid and raising its effectiveness are intimately connected, and that high-level political engagement is essential to move the agenda forward. The Millennium Summit of 2000 was a historic turning point, setting ambitious aspirations, defining results and strengthening accountability. Subsequent agreements at Monterrey (2002), HLF-1 in Rome (2003), Marrakech (2004)³, and HLF-2 in Paris (2005), together with the 2005 Gleneagles commitment on scaling up aid, have combined to create a new basis for the international aid system. The Paris Declaration was a landmark in defining the principles by which aid would be made more effective, securing practical commitments to new ways of working, setting a target date of 2010, specifying measurable indicators, and setting up a monitoring system. The Accra HLF was about applying these principles in practice; it was the occasion for a mid-term review by those who are accountable for the progress they have made, and for reaffirming and, where necessary, redefining commitments.

The HLF built on the most comprehensive consultation process ever undertaken to underpin a development initiative. It was driven by the Working Party on Aid Effectiveness, an international partnership of donors and developing countries hosted by the OECD-DAC. A contact group of developing country partners fed into the preparation for the Forum; regional consultations were held in Latin America and the Caribbean, Africa, the Middle-East and in East, West, Central and South Asia and the Pacific; over 50 countries were involved in surveys to identify priority concerns and actions; and civil society organisations (CSOs), representing the views of over 3,500 organisations worldwide, were more actively involved than ever, both before and during the Forum. In Accra, CSOs held an event in the previous week whose findings were presented to the Forum, challenging some widely held positions, and stressing the need to address inequality as well as poverty.

1.2 RESULTS SINCE 2005

At this mid-term stage, a main aim of the Forum was to take stock of the extent to which donors and developing country partners are fulfilling the commitments made in the Paris Declaration. **Evidence was provided from three major complementary sources:** the Monitoring Survey reporting on the twelve indicators agreed in 2005; the Evaluation study providing assessments based on reports from selected donor and partner countries; and the overall Progress Report reviewing the range of commitments made against the five Paris Declaration Principles (ownership, alignment, harmonisation, development results and mutual accountability) as well as on the four additional topics addressed by Roundtables at the Forum: situations of fragility and conflict; civil society and aid effectiveness; sector-specific experiences; and the new aid architecture⁴. The focus of the Paris Declaration on monitorable results means that

³ International Roundtable on Managing for Development Results

⁴ The sources of evidence prepared for the Forum are: 'Effective aid by 2010? What it will take.' 2008 survey on monitoring the Paris Declaration <http://www.oecd.org/dataoecd/58/41/41202121.pdf>; 'Evaluation of the implementation of the Paris Declaration: synthesis report,' http://www.diiis.dk/graphics/Subweb/paris_evaluation_web/index.htm; and 'A progress report on implementing the Paris Declaration,' http://siteresources.worldbank.org/ACCRAEXT/Resources/Progress_Report-Full-EN.pdf

there are now more facts than ever before to enable an assessment of performance against key dimensions of aid effectiveness⁵.

Overall, the evidence is clear that some good progress is being made, but in many cases an acceleration will be needed if the 2010 targets are to be met. Much has been done to put in place the preconditions for sustainable acceleration; the priority over the remaining years to 2010 will be to make maximum use of these foundations to achieve rapid measurable progress. The Monitoring Survey found that three of the twelve aid effectiveness targets are within reach by 2010 (technical co-operation is aligned and co-ordinated; public financial management (PFM) systems are reliable; and aid is increasingly untied.) A further three are within reach but will require efforts to be scaled up at country level (donors avoid parallel project implementation units; aid flows are accurately recorded in countries' budgets; and aid is more predictable within the year it is scheduled.) However, six are off-track and will be difficult to achieve unless partner countries and donors very seriously gear up their efforts (countries operationalise their development strategies; donors use country PFM and public procurement systems; donors use co-ordinated mechanisms for aid delivery; donors co-ordinate their missions and their country studies; countries develop sound frameworks for monitoring development results; and mechanisms for mutual accountability are established at country level.)⁶ Progress varies considerably by donor and by partner country, some having gone well beyond the Paris Declaration commitments and providing excellent examples of what can be achieved, but there are too many examples of persisting patterns of behaviour that undermine aid effectiveness.

1.3 INTERNATIONAL CONTEXT

In the opening session, many participants stressed that aid effectiveness must be seen in a broad context. **Aid is one means, among others, of contributing to achieving the Millennium Development Goals (MDGs)** and other international commitments. It must be managed so as to be complementary with a range of other actions, in such diverse areas as human rights, the environment, and trade (where the failure of the latest WTO round was seen by Forum participants as a worrying example of aid and trade policies not being mutually supportive). The presence at the Forum of countries that used to rely on aid, but now do so much less if at all, underscored the frequently expressed objective of bringing about a world in which aid is not needed. The fact that the host country Ghana has for the first time raised funds on the Eurobond markets was seen as a landmark, suggesting scope for progressively greater access to private financial flows by countries that have hitherto relied almost entirely on aid.

Many examples of successful **poverty-reducing development** initiatives were shared at the HLF. In particular the accelerated economic growth and attention to the agenda of improved governance in many African economies, including in Ghana, was welcomed. However, many speakers stressed the sobering nature of the challenges now facing the international community, and noted how many of them require joint co-ordinated action. New data were presented from the World Bank showing that with a redefined poverty line of US\$1.25/day, 1.4 billion people are still living in poverty, and many countries are well off-track from what is needed if they are to achieve the MDGs by 2015. The recent rises in the prices of food and energy are not just hurting poor people directly, but also represent a macro-economic shock to vulnerable economies that threatens to lead to higher indebtedness and/or to lower growth and worsening poverty. It was estimated at the Forum that in this year alone, least developed countries will

⁵ Nevertheless, the sources referred to in the previous footnote identify a number of shortcomings in the evidence, and suggest ways of strengthening the monitoring system.

⁶ Further detail may be found in the Monitoring Survey (summary version) pages 4-7.

be obliged to pay an additional US\$50bn to maintain the levels of their oil imports. The fragile state of the world economy was widely recognised, and concerns were expressed that this might jeopardise the willingness of people in developed countries to support the increases in aid to which donors committed at Gleneagles in 2005.

The continuing insecurity of some parts of the world, and the adverse impact this has on prospects for social and economic development, were noted. As a result of fragmented decision-making, in some cases these fragile states have become 'aid orphans'. But more positively, Africans have become more effectively engaged in resolving conflicts in their continent.

Finally, many participants stressed **climate change and the severe threat this poses** to development gains, linking it with wider environmental issues and with the aid effectiveness agenda, and emphasising the need for massive sustained collective action.

Changes are also underway to the world's aid system as the increasing number and diversity of players (notably middle-income countries, foundations and global funds) bring new perspectives and experiences. The international dialogue is now enriched by contributions (for instance on capacity development and south:south and trilateral cooperation) from middle-income countries, many in Asia and Latin America, which have made great gains in living standards and capabilities, and which in some cases have now become donors themselves. This diversity lent momentum to the discussion at the Forum of the need to address fragmentation, and to rationalise the delivery of aid. The fact that there are some ten vertical funds addressing climate change suggests that not all the moves are in the right direction.

Beyond Accra, the endorsement of the AAA is an important source of momentum that should raise the prospects for success, both at the High-Level MDG event held in New York later in September, and at the Doha meetings in November-December 2008 on the financing of development. Looking further forward, the Fourth High-Level Forum on Aid Effectiveness is due to be held in 2011. By then evidence will be available on the extent of achievement by 2010 of the commitments made at Paris, and updated at Accra.

THE MARKETPLACE OF IDEAS

A Marketplace of Ideas was created to provide an opportunity for a large number of participants to make a contribution to the Forum in a way that would not have been possible through statements from the floor⁷. Over 50 posters were presented by developing countries, over 30 from donors and nearly 30 from non-governmental service providers, lobbyists and networks. The posters provided a brief snapshot of interesting experiences and a sample of current levels of best practice.

Diversity of experience

The posters demonstrated the huge diversity of circumstances facing both donors and partner countries, underlining the necessity to adapt the application of the Paris Declaration to local circumstances at the level of both countries and sectors. The posters also reflected the simultaneous process of organisations proliferating and of groups consolidating. Tendencies towards both harmonisation and duplication appear likely to continue. A number of posters reflected groupings that blur the distinction between bilateral and

⁷ For more information on the Marketplace see:<http://www.accrahlf.net/WBSITE/EXTERNAL/ACCRAEXT/0,,contentMDK:21761537~pagePK:64861884~piPK:64860737~theSitePK:4700791,00.html>

multilateral agencies, particularly at the level of trust-funded programmes.

Richness of experience

The posters tended to be clustered into:

- National systems to apply the Paris Declaration principles in budgeting, and specifically aid management (e.g., Vietnam, Sierra Leone, Serbia, Rwanda, Palestine, Mozambique, Lao PDR, Mongolia, Honduras, Dominican Republic, Cook Islands, DR Congo, Burundi, Zimbabwe).
- Methods and Tools (e.g., Capacity Scanning in Mauritania, Co-ordination and Decision Support System in India, Poverty impact assessment in Senegal).
- Databases particularly relating to aid flows at the country and sub-sector level (e.g., in Egypt, Malawi, Sudan and Iraq).
- Specific projects or sector programmes.

The posters showed how practitioners are now trying to apply the principles of the Paris Declaration, and revealed progress in a wide range of countries and sectors. They provided useful insight into the practical difficulties involved, and many included sections on the lessons learned. The main challenges appeared to be lack of capacity, lack of performance data and the relatively slow progress in implementing processes of harmonisation and alignment.

There was inevitably some variability in the way participants carry forward the Paris Declaration principles. For instance some national programmes focussed on developing national plans and increasing “ownership”, while others adopted more results-based management approaches.

At the sector level there was a clustering of cases on improving aid in health (Tanzania, Ghana, Zambia), education (Fiji, Ghana, Benin, Bangladesh), and water and sanitation (Uganda), and to a lesser extent on productive or economic infrastructure sectors such as micro finance (Ghana), banking (Azerbaijan), and agriculture (Guinea Bissau/China, and the Philippines). Other topics ranged from policing motorway traffic (Pakistan) to strengthening electoral processes (Sierra Leone).

Innovation

All posters appeared to contain elements of innovation. Numerically MfDR appeared to be the most widely applied innovation, but also featured were the trust fund approach to donor co-ordination in the difficult circumstances of Nepal, poverty impact assessment systems in Senegal, and the evolution of a SWAp in Mali into a more fully owned “compact”. The UNDP-sponsored development assistance database is also an innovation with widespread possible application.

Outcomes

Many posters documented outputs of their programmes, but few were able to report at the level of development outcomes, probably because of the complex causal relations involved and the relatively recent start of many schemes.

The winners

The Forum organisers provided a mechanism by which participants could vote on the various posters through a system of stickers. The winners in each category were:

| | |
|------------------------------------|----------|
| Ownership | Niger |
| Harmonisation | Benin |
| Management for Development Results | Honduras |
| Alignment | Tanzania |
| Mutual Accountability | Togo |
| Best in Show | Ghana |

2. ROUNDTABLE DISCUSSIONS

The Roundtables addressed the five principles of the Paris Declaration (ownership, alignment, harmonisation, managing for development results, and mutual accountability), and four issues that had been identified during earlier consultations as being central to aid effectiveness (the role of civil society in enhancing aid effectiveness, aid effectiveness in situations of fragility and conflict, enhancing results by applying the Paris Declaration at sector level, and the implications of the changing aid architecture.) This section provides the Chairs' individual summaries of these discussions⁸ while recurring themes are presented in chapter 3.

2.1 ROUNDTABLE 1. COUNTRY OWNERSHIP: "WHOSE OWNERSHIP? WHOSE LEADERSHIP?"

Ownership is a make-or-break principle of effective aid. Inextricable links exist between putting ownership into practice and implementing the other principles of the Paris Declaration on Aid Effectiveness. The Declaration defines ownership as developing countries exercising "effective leadership over their development policies, and strategies". Donors commit to respect partner-country leadership and help strengthen their capacity to exercise it. In order to monitor progress on ownership, the signatories agreed on one indicator, calling for at least 75 per cent of aid-recipient countries to have "operational development strategies by 2010". Three years on, there is general agreement that these commitments and the target still hold as important components of ownership. According to the Evaluation Report of the Paris Declaration, some progress is being made. However, the Report also finds that many countries are encountering obstacles in translating national strategies into sector strategies and operational and decentralized programmes.

The following issues were on the agenda for Roundtable 1:

- The definition of ownership in the Paris Declaration is narrowly focused on central government: what would a broader definition of ownership look like at country-level, and what could partner country governments do to broaden ownership of development policies?
- Donor agencies still have a long way to go in supporting partner-country leadership in the design of policies. How do they need to rethink – together with their partners – development co-operation?
- Currently, progress in implementing ownership is measured through evaluations of the quality of Poverty Reduction Strategy Papers. Which actors and which existing monitoring mechanisms could help feed a more diverse and legitimate monitoring system for ownership?

⁸ More information on the Roundtables may be found at:
<http://www.accrahl.net/WBSITE/EXTERNAL/ACCRAEXT/0,,contentMDK:21735840~pagePK:64861884~piPK:64860737~theSitePK:4700791,00.html>

There is now consensus about the need for a broad-based understanding of ownership, as captured in paragraph 13 of the Accra Agenda for Action, which explicitly commits governments to engaging with parliaments, local authorities and civil society as important actors and legitimate stakeholders in development. And capacity development – along the lines of the Bonn Consensus – figures prominently in the Accra Agenda for Action, which postulates a capacity development that is demand-driven and designed to support country ownership (Para 14).

The Roundtable reaffirmed the consensus achieved on broad-based ownership, highlighted the importance of endogenous capacity development for all development actors and emphasised the potential lying in south-south and trilateral cooperation.

Topics and issues that would call for further exploration and work are:

- The need for a more broad-based understanding of country ownership. How can stakeholders promote broad-based ownership in practice?
- The need for a new approach to capacity development for ownership: donor and partner practice must evolve in terms of how programmes and initiatives are designed.
- South-south cooperation and trilateral cooperation have untapped potential to promote capacity development: there is a need to identify good practices, principles and criteria.
- The links between conditionality and ownership remain controversial and require further work and analysis.
- The need to revisit the indicator for country ownership or to complement it.

Both co-chairs were of the opinion that the Working Party on Aid Effectiveness ought to ensure that such work is undertaken, and both declared their readiness in principle to contribute to such an initiative, in whatever manner is appropriate.

2.2 ROUNDTABLE 2. ALIGNMENT: USE OF COUNTRY SYSTEMS, UNTYING AID, AID PREDICTABILITY- CHALLENGES AND WAYS FORWARD

Main issues covered in the Roundtable. Alignment is a key principle of the Paris Declaration on Aid Effectiveness. During HLF-3, the Roundtable on alignment aimed to take stock of the progress towards agreed targets for 2010 and to provide suggestions for work for further progress.

The Roundtable on alignment was divided into two segments, dealing with two sub-themes each. The first segment dealt with (i) alignment to objectives & policies, and (ii) alignment to time horizons (predictability); while the second segment covered (iii) alignment to country systems, and (iv) alignment to market (untying).

Main points of consensus. Discussions at the Roundtable showed universal agreement on one key finding: *progress towards greater alignment has been limited since Paris*. Despite significant improvement in many developing countries' public financial management systems, there has not been a reciprocal increase in donors' use of these strengthened country systems.

In order to reach our 2010 targets on alignment, there is *a strong need to accelerate delivery on our commitments*. Many noted how this sense of urgency was not fully reflected in the latest draft of the

Accra Ministerial Declaration (Accra Agenda for Action) available at the time of the Roundtable discussion⁹.

Proposals for further work and debate (issues/institutional). On proposals for further work and debate, the Roundtable underscored the need to support a country's own priorities, use its systems and give it the time to achieve its objectives through policy trial and error. This requires trust. Trust cannot be built, if donors do not relinquish control. Trust cannot be built, if partners do not give tangible proof of their commitment to their own development agenda.

To build trust, it is important to show that progress towards our mutual commitments is taking place on both sides. For this reason it is important for the debates and monitoring efforts that have taken place in the run-up to Accra and at this Roundtable to continue:

- In the most immediate future, as we progress towards the two other key aid events planned for 2008 - the MDG-event in New York in September and the Financing for Development conference in Doha.
- In the longer term, within the context of the Working Party on Aid Effectiveness by fostering a reorganization of its subsidiary bodies around the key issues where progress and common understanding is more lacking (such as predictability and conditionality)
- At the country level, by setting up country-specific monitoring arrangements better capable of measuring and creating incentives for alignment.

2.3 ROUNDTABLE 3. HARMONISATION: RATIONALISING AID DELIVERY, COMPLEMENTARITY, DIVISION OF LABOUR.

The Roundtable addressed two topics, which were signalled as priorities from partner and donor countries in the preparatory process of the HLF Accra:

- **in-country division of labour**, focussing on the bottlenecks to successful division of labour and ways to overcome them; and
- **cross-cutting issues including** human rights, gender equality and environmental sustainability and their promotion through harmonized approaches.

At the same time, there is acknowledgement of the need for further advances in many areas of the broader harmonisation agenda, e.g. with regard to programme-based approaches, joint procedures, missions or evaluations. These issues, however, were not on the agenda for detailed discussion.

Regarding in-country **division of labour** (DoL), the main points of discussion were:

- Excessive fragmentation of aid reduces aid effectiveness, overburdens partner countries, and leads to duplication and high transaction costs. Beyond improved complementarity, successful in-country DoL will contribute to enhanced ownership, deeper alignment to country priorities, improved transparency and results-orientation.

⁹ Editor's note: the AAA draft was subsequently strengthened on the use of country systems.

- There was the recognition that a conscious management of DoL is urgently needed in many countries. DoL will have to be geared towards achieving better development results, and its contribution towards this goal should be measured.
- While acknowledging that there will not be one blueprint for successful DoL processes, it was evident that good practice elements have emerged in a number of countries, e.g. Uganda, which should be shared and discussed more widely. Many of these have already been integrated in the international good practice principles on in-country DoL, such as (i) the importance of partner government leadership to drive the DoL process; (ii) shaping DoL processes in a transparent and inclusive way, allowing a broader set of stakeholders, including civil society, to engage; (iii) establishing lead donor arrangements based on comparative advantage assessments, and not only on the volume of the financial contribution; (iv) the strengthening of aid management capacities by partner governments, if needed, with coordinated external support; and (v) the provision of timely and transparent aid information by donors.
- Critical challenges relate to (i) carefully balancing the goals of reducing donor fragmentation and maintaining a sufficient diversity in terms of approaches and instruments; (ii) keeping up – from a civil society point of view – an appropriate mix of funding mechanisms; (iii) the need to further associate new donors and global programmes with in-country DoL processes; and (iv) encourage DoL based on strong country strategies which allocate donor roles based on their comparative advantages to achieve results.
- Regarding the promotion of cross-cutting issues through harmonized approaches, the main points of discussion included the following:
 - Participants highlighted that aid harmonisation is not an end in itself; harmonisation processes and initiatives need to be geared towards the achievement of tangible results impacting positively on the lives of poor women, men and children. It means focusing on the harmonisation of outputs and outcomes, rather than of inputs alone.
 - Cross-cutting topics should not be dropped just because they do not seem to fit into a harmonised approach. Donors and partners alike need to firmly integrate human rights, gender equality and environmental sustainability as goals in their own right, as well as cross-cutting objectives.
 - Ways of promoting the so-called cross-cutting issues through harmonised approaches and the application of aid effectiveness principles are increasingly documented. The potentially beneficial relationship was illustrated by the powerful case examples provided.
 - Mainstreaming cross-cutting issues seems to be most effective (i) under partner country leadership and (ii) through partner country policies, procedures and institutions. Committed donors can facilitate and support the mainstreaming of cross-cutting issues.
 - Donors and partners alike need to promote mutual, constructive critique (probably as part of mutual accountability arrangements) on how they integrate and promote cross-cutting issues.
- The Roundtable resulted in the following conclusions and forward-looking recommendations:
 - With regard to DoL, emerging experience and good practice should be systematically reviewed and more widely shared. International good practice principles were seen as a useful instrument to further guide in-country DoL processes, the existing draft principles were recommended for consideration by the DAC Working Party on Aid Effectiveness. A concrete

suggestion, also resonating well with the relevant section of the Accra Agenda for Action, was to further develop a methodology to measure progress and outcomes from in-country DoL processes.

- When it comes to more systematically merging cross-cutting issues and aid effectiveness principles the general feeling was that - despite convincing individual case examples - more analysis and collective learning are still needed. It was apparent that the level of knowledge and good practice guidance in this area is still in its infancy. One practical suggestion was to task the DAC to further pursue the necessary groundwork and the related dissemination and sharing of experience.

2.4 ROUNDTABLE 4. MANAGING FOR DEVELOPMENT RESULTS

Managing for development results (MfDR) is about public sector management, supporting political decision-making focused on desired results and based on evidence.

The Roundtable advanced the MfDR agenda and contributed to the aid and development effectiveness agenda as a whole. There is broad acceptance that MfDR has moved beyond an aid management instrument and is part of the core agenda for public sector reform to pursue in developing countries. It is a comprehensive way of thinking on how best to implement national strategies and to achieve internationally agreed development goals. It is no longer a government-only exercise but a political change process involving the whole of society. Some important lessons can be drawn from this Roundtable.

First, development results – including the implementation of human rights, gender equality and environmental protection – require that MfDR country systems are in place to manage this political change process. Developing countries should build on their often under-recognized experience at home, on best practices in similarly-placed countries, and on outside resources. Experience shows that where tools are in place, for example statistical information systems and monitoring & evaluation platforms, donors are more likely to follow the country’s lead. But donors have to actively contribute to the process, in particular by accepting the emphasis on “contribution” rather than “attribution”.

Second, the change process requires political leadership. Performance measurement always includes the risk of uncovering underperformance and failure. Since MfDR implies risk-taking, it requires high-level political commitment over time to value results, to be held accountable by multiple stakeholders and to set the right incentives. “You can run, but you cannot hide” – this captures the overall sentiment from participants on the urgency of MfDR.

Finally, sustainable capacity is crucial. Champions and incentives are needed to develop these capacities – and to use them. Efforts should focus on strengthening the institutionalisation of MfDR at all levels: the enabling environment, the organisational arrangements and the individual skills. To establish a “results culture”, capacity development in MfDR not only applies to government but also to parliamentarians, civil society, the private sector and the media. In this context harmonisation of donor support and strengthening of south-south learning mechanisms stand out as important drivers.

There is overwhelming rationale for bringing the whole MfDR implementation to country level and strengthening south-south learning at country and regional levels. These peer-to-peer learning mechanisms have already proven to be excellent platforms for capacity development. Donor support is necessary to continue funding them, in particular donor support without too many strings attached that

underpins ownership by partners. But these processes need time, and risks of “overloading” these mechanisms with tasks and expectations that are too high have to be avoided.

To complement the efforts at country and regional levels, there is a need to institutionalise the dialogue between donors and developing countries, both governments and other stakeholders, at the international level. A strong forum is necessary to serve as a political advocate for MfDR and as a platform for inter-regional exchange as well as to host the debate of donor-specific issues around MfDR.

2.5 ROUNDTABLE 5. MAKING MUTUAL ACCOUNTABILITY REAL

The Roundtable on mutual accountability generated a lively discussion reflecting a broad range of views, including from parliamentarians and civil society representatives. The main issues were set out in a keynote address by Mary Robinson which was followed by case studies from Tanzania, and from a joint initiative of the East Asian countries -- Vietnam, Cambodia and Laos. There was striking consistency among the keynote address, the case studies, and comments from the floor, including on the following points:

- Stronger mutual accountability is crucial to the behaviour change needed to achieve the other key objectives of the Paris Declaration and the Accra Action Agenda as well as the development results to which they contribute. Major determinants of its effectiveness are mutual trust and respect, shared objectives and values, and independent monitoring.
- Progress to date has been inadequate. This needs immediate attention, both to increase country coverage and to transform existing consultative mechanisms into true accountability mechanisms rather than to invent new ones.
- Both country level and international mutual accountability need strengthening, as do links between the two. Regional approaches can also play a constructive role.
- The highest priority is strengthening the role of partner countries. This applies at both the country and international levels, including in Consultative Groups and in the Working Party on Aid Effectiveness.
- Mutual accountability needs to respect and complement domestic accountability. The best mutual accountability mechanisms and development results come from those countries with the strongest domestic accountability mechanisms.
- Mutual accountability has a broader remit, including issues of gender, human rights, environment, and donor commitments on aid volumes.
- Independent review and evidence, most importantly by parliaments and civil society, can strengthen mutual accountability.
- Progress in mutual accountability has been weakest on strengthening the role of parliaments. This must be addressed.
- More support is also needed for the role of CSOs, including for their emerging efforts to increase their own accountability.
- Transparent information on aid, including for example on technical assistance, is vital, as is increased transparency of developing country budgets.
- Good practices worthy of further consideration include international monitoring groups, regional peer reviews, and independent international measures of donor performance. An

international effort at documenting and disseminating good practice on mutual accountability would be helpful.

In closing, the co-chairs, reflecting the sense of the meeting, called for redoubled efforts to meet the target of 100% country coverage and to strengthen existing mechanisms in order to make mutual accountability real. This means carrying out the commitments of the Paris Declaration and the Accra Agenda for Action and, in implementation, going even further. They called particular attention to strengthening the roles of partner countries, including of parliaments and civil society, and using independent evidence at both the international and national levels. And they called for the DAC Working Party on Aid Effectiveness, with equally strong participation by partner countries, to be a champion in this collaborative effort.

2.6 ROUNDTABLE 6. THE ROLE OF CIVIL SOCIETY ORGANISATIONS IN ENHANCING AID EFFECTIVENESS

The aim of Roundtable 6 was to build upon the work of the Advisory Group on Civil Society and Aid Effectiveness (AG-CS). The AG-CS is a multi-stakeholder group reporting to the Working Party on Aid Effectiveness, which led an extensive consultation process, analytical work, and case study work in the 18 months preceding the Accra HLF-3.

The Roundtable had three objectives:

- to consolidate a shared understanding and recognition of the roles that CSOs can play in development, and in advancing the aid effectiveness agenda;
- to discuss actionable ideas on CSO effectiveness; and
- to develop a sense of momentum around a forward agenda for multi-stakeholder dialogue and action between now and the next HLF.

Significant progress in advancing the subject of civil society in the aid effectiveness agenda had already been achieved prior to Roundtable 6. This progress was reflected in several ways:

- in the endorsement by the Working Party on Aid Effectiveness of the AG-CS' Synthesis of Findings and Recommendations,
- in the importance accorded to CSOs in paragraph 20 and other parts of the draft AAA,
- in the relatively high level of CSO representation in HLF-3, and
- in the frequent acknowledgement of CSOs by other stakeholders in plenary sessions and other roundtables during the HLF.

A first point of consensus to emerge from the AG-CS process and Roundtable 6 itself was a clear recognition of the many roles of civil society, and of the importance and value of CSOs as development actors in their own right and as aid recipients, donors and partners. Stakeholders expressed an interest in collaborating more closely with each other and including CSO effectiveness as a topic worthy of serious attention.

Roundtable 6 and subsequent discussion among stakeholders highlighted the necessity to build on the momentum that has been generated by working towards implementation of the recommendations

emerging from the AG-CS. This forward agenda will require an international effort involving donors, governments, and CSOs, and shared leadership for different aspects of this work. It includes four elements, the first three of which address CSO effectiveness:

- Working together to provide a more enabling environment for CSOs (e.g., promotion and protection of rights, legislation and taxation regulations, space for multi-stakeholder dialogue) and appropriate models of donor support (e.g., core support, long-term commitments, responsive funding), based on existing and evolving models of good practice.
- Work on how CSOs can develop more effective CSO partnerships, including north-south, south-south, global networks, and national umbrella organizations. While this will generally be the purview of CSOs themselves, there would be merit to further multi-stakeholder effort on this subject, as there are implications for donor and government policies and practice.
- Support for the CSO-led Open Forum for CSO Development Effectiveness. This independent process merits targeted donor and government support, and includes a multi-stakeholder component. Efforts will be required to ensure a linkage with HLF-4 in 2011.
- Preparing the ground for CSO engagement in HLF-4, ensuring that a multi-stakeholder perspective on CSO effectiveness is a major theme of HLF-4.

2.7 ROUNDTABLE 7. AID EFFECTIVENESS IN SITUATIONS OF FRAGILITY AND CONFLICT.

Roundtable 7 was organised to review progress in implementing the Paris Declaration within the particularly challenging contexts of situations of fragility and conflict. The meeting represented a step change in the dialogue between donors and governments in developing countries and helped to significantly advance the aid effectiveness agenda. The discussions in Accra benefited from a preparatory meeting held in Kinshasa in July 2008 which resulted in the adoption of a *Kinshasa Statement* which sets out for the first time a consensus between donors and partner countries on priority actions in situations of conflict and fragility. The Roundtable took this one stage further to set out a series of jointly agreed next steps to deliver the AAA commitments relating to situations of fragility and conflict. The meeting agreed to prioritise the following actions:

- **Monitoring the Principles for Good International Engagement in Fragile States and Situations.** The AAA commits donors and partner countries to advance and monitor the implementation of the DAC Principles. Agreements at the Roundtable took the first steps to make this happen: monitoring will start with the DRC, Afghanistan, Timor Leste, Central African Republic and Sierra Leone. This agreement is important as it commits donors and partners, for the first time, to track progress on issues such as security and development, policy coherence between diplomatic, security and development actors and resource allocations to situations of fragility.
- **Addressing peace-building and state-building priorities.** While the MDGs are a central concern in fragile situations—where a third of the world’s poor live—in many cases the basic foundations for development are just not in place. In Accra it was agreed that in order to make progress—and to demonstrate progress—work is needed on the preconditions for achieving the MDGs by addressing state-building and peace-building needs.
 - a. The AAA sets out the need to define state-building and peace-building objectives, at country level and internationally. The Roundtable launched an international dialogue—led by the DRC and France—to make this a reality.

- b. For donor countries, a set of common goals on state building will also be instrumental to ensure that different policy communities (diplomatic, security, development) within their governments jointly support peace-building and state-building. A senior officials' meeting on whole-of-government approaches in situations of fragility and conflict will be hosted by Switzerland, 19-20 March 2009.
- **Improving the delivery of international assistance for the reduction of fragility and conflict.** The Roundtable discussed several key constraints that need to be overcome in order to improve the international response in situations of fragility and fragility, in particular during the period immediately following conflict. Engagement is often too slow and donors lack the capacity to respond rapidly. There is also little clarity on how to transition from humanitarian to development-related approaches.
 - c. The AAA commits donors to make funding modalities more flexible and rapid and conduct joint assessments of governance and fragility in situations of fragility and conflict.
 - d. The Roundtable supported the establishment of an ad hoc working group, composed of interested donors, partner countries, multilateral institutions and the OECD, that will consider how to improve funding policies, priorities and mechanisms to support more effective multilateral and bilateral support to countries recovering from conflict.

2.8 **ROUNDTABLE 8. ENHANCING RESULTS BY APPLYING THE PARIS DECLARATION AT SECTOR LEVEL**

The Roundtable 8 session on sectoral experiences¹⁰ was divided into two parts:

Part One: 'Analysis of the most important factors necessary to successfully achieve results when applying the Paris Declaration at sector level' included four thematic structured discussions, followed by open debates:

- Agreeing on priorities: placing poor people at the centre of sector plans and frameworks for results.
- National systems and sector programmes: mutual benefits and the importance of inter-institutional relationships. How to avoid SNAs (Sector Narrow Approaches)?
- Placing capacity at the core of sector development: how do we ensure an integrated and demand-driven approach to capacity development at sector level?
- Getting serious about using country systems and prioritising alignment over harmonisation: do we need a non-proliferation treaty on aid modalities?

Part Two: 'Proposals and commitments for 2011 and beyond' included three open debates on:

- Broadening ownership beyond sector ministries: are partner country actors prepared for an inclusive and transparent sector dialogue based on results?

¹⁰ The Progress Report provided sectoral material on health, education, environment, agriculture, infrastructure and aid for trade.

- Moving the focus from conditionalities to mutual accountability for results.
- Matching sector reform with development partner reform: addressing incentive flaws and knowledge gaps.

The debate largely echoed the conclusions of the widely consulted Roundtable 8 Outcome Document final draft (as circulated prior to the Accra HLF-3), and important additional viewpoints and experiences were also related.

The Roundtable 8 process concluded that the following 10 points are fundamental to the enhancement of sector development effectiveness:

- Donors and their aid are not the centre of the development universe. Change from an aid delivery to a sector development perspective.
- The Paris Declaration principles apply equally to all sectors – but one size does not fit all.
- Move from focus on inputs and conditionality to mutual accountability for results.
- Be practical about planning. If consensus on a ‘perfect plan’ is proving elusive, be prepared to start implementing, measure results and improve plans through use.
- Place capacity and institutional development at the core of sector programmes and strategies. But avoid treating technical assistance as the single solution.
- Prioritise alignment over harmonisation (of procedures) between donors.
- Don’t turn SWAps into SNAps (Sector Narrow Approaches).
- Promote pragmatic mechanisms for democratic ownership and stakeholder involvement at sector level.
- Match sector reform with “development partner (donor) reform”. Focus on relevant knowledge and incentives for all actors.
- Address incentives and the political economy of sector development - don’t shy away from the real problems.

2.9 ROUNDTABLE 9. IMPLICATIONS OF THE CHANGING AID ARCHITECTURE.

The Roundtable aimed to stimulate thinking on how to encourage good practice in delivering assistance effectively in the changing environment of an increase in the sources and channels of assistance. In line with the principle of ownership, the Roundtable put particular emphasis on how countries can manage all aid within a harmonized framework and procedures in order to attain maximum development results.

The Roundtable welcomed the growing diversity of providers of development assistance, including contributions from Foundations and civil society organizations. However, it noted that fragmentation of aid arising from multiple sources and channels of assistance was a problem that we had to deal with. The Roundtable focused on development assistance providers which are not members of the OECD-DAC and on Global Programme Funds. An overriding message was the need for all types of assistance to be aligned to country priorities and to use local coordinating mechanisms under partner country leadership.

Partner countries saw south-south and triangular cooperation, including at regional level, as highly complementary to traditional aid. They pointed out that the funding preferences of traditional donors had led to under-investment in infrastructure and the productive sectors, which non-traditional donors had helped to alleviate. Partner countries looked for very similar things from all assistance providers: responsiveness and speed (where non-traditional donors scored well), untying and transparency (where some but not all scored well), predictability, and more broadly respect for the principles of the Paris Declaration, though these had to be adapted to the local context. Countries wanted to see good local coordination of all assistance under their leadership. One basic pre-requisite was transparent information on **all** flows of assistance, from government and non-government sources.

Global programme funds also had many positive achievements. But particularly where such funds were large and had a tight focus there were some “side-effects” of earmarking. These needed to be addressed by a good balance between earmarked funds and funds that responded to local needs across the board, and by more integrated approaches, again in line with the Paris Declaration. The aim must be balanced funding within and across sectors and sustainable development at country level (though full sustainability would take an extended period in poorer countries). When new global concerns arose, such as climate change or the food and energy crises, there was a call to “think twice” before creating new global funds or separate aid channels, and to give priority to reforming existing institutions to take on new challenges. There was a danger that new global funds would simply re-route existing aid, rather than deliver real additionality.

The above messages are fully in line with paragraph 19 of the Accra Agenda for Action, and with the conclusions of the Issues Paper prepared for the Roundtable.

There is a clear need to continue an inclusive dialogue on aid and development effectiveness beyond Accra both internationally (where both the Development Cooperation Forum and the Working Party on Aid Effectiveness provide valuable spaces) and, in particular, at the partner country level. There should also be a formalised relationship between the OECD-DAC and the Global Programmes Learning Group.

SIDE EVENTS AT THE FORUM

The main sessions of the Forum were supplemented by a rich menu of side events.

1. ***Climate Change Adaptation and Aid Effectiveness***, organized by the Swedish Commission on Climate Change and Development.
2. ***Role of Statistics in Aid Effectiveness***, organized by PARIS21.
3. ***Regional Centers for Evaluation Capacity Development***, organized by the Independent Evaluation Group at the World Bank.
4. ***Predictability of Aid: Challenges and Responses – Experience in the Health Sector***, organized by WHO with IMF, OECD, and IHP+.
5. ***Ownership, partnership and results – gender equality and women’s empowerment make the Accra Agenda for Action a reality***, organized by Government of Ghana, Government of Denmark, Gendernet, UNIFEM, OECD DAC Network on Gender Equality.
6. ***The Potential for Private Sector Contributions to Development***, organized by the Government of the USA.
7. ***Launch of the International Aid Transparency Initiative***, organized by DFID and Development Initiatives for Poverty Reduction.
8. ***Exploring the Bonn Consensus: Tough Questions on Capacity Development***, organized by LenCD and Partner Contact Group with UNDP/UNDG, WBI, GTZ, and JICA.
9. ***Moving Beyond Aid***, organized by Action Aid and Afrodad.
10. ***Effective development assistance for a changing world – country ownership, capacity development and development results***, organized by United Nations Development Group: UNDG.

BBC World Debate. The BBC hosted a debate on aid effectiveness entitled “Africa and its partners: what works?” A panel, chaired by Zeinab Badawi, featured Ngozi Okonjo-Iweala (Managing Director World Bank), Angel Gurría (Secretary General of the OECD), Kumi Naidoo (Honorary President, Civicus), Stefano Manservigi (Director-General for Development of the EC), Anthony Akoto Osei (Minister of State at Ghana's Ministry of Finance and Economic Planning), and Oh Joon (South Korea's Deputy Minister for Foreign Affairs and Trade) addressed the broad theme across three areas: trade, aid and investment.

3. MINISTERIAL DEBATE

*'There is political support for doing new things in new ways.'*¹¹

Many of the discussions in plenary focused on two linked themes: the consensus around the practicalities of implementing more effective aid; and the unfinished agenda of priority issues that need attention. Encouragingly, in view of the universal acceptance that accelerating progress towards aid effectiveness requires political leadership, there were high levels of active engagement in these discussions by heads of government, ministers and heads of agency.

3.1 FROM ASPIRATION TO ACTION: THE EMERGING CONSENSUS.

There was general agreement that reforming aid systems is urgent for two reasons: the global challenges are large, and aid can be much more effective in addressing them. Participants stressed the scale of the challenges (noted in section 1.3 above), the need to take internationally co-ordinated actions to address them, and the shared responsibility of those present at the Forum.

The extent to which situations of fragility and conflict raised some of the most difficult challenges was emphasised by many participants. Some encouragement was taken from the conclusion that even in these situations, the Paris Declaration principles were applicable, even though they needed to be modified to take account of country-specific circumstances.

Learning: clear understanding of what all parties need to do

Much of the discussion revolved around the practical ways in which the aid system could be made to work better. **What** needs to be done to make aid more effective is generally understood, not least because of what has been learned in applying the Paris Declaration principles over the past three years. Participants were encouraged by the fact that the Paris Declaration principles have been validated by experience, and provide clear ways forward to raise not just aid effectiveness but also development effectiveness.

This was reflected in all of the Roundtable discussions where there were high levels of agreement on core Paris Declaration issues, including, among many others: the broadening of the understanding of ownership, to include democratic ownership (notably through much greater involvement of parliaments), and the inclusion of groups beyond central governments and official donors, to include civil society, local governments and the private sector; greater emphasis on cross-cutting issues of human rights, the empowerment of women and environment; accelerating the use of country systems; the persisting problem of fragmentation of aid; the need for momentum, and in particular political momentum, behind the managing for development results agenda; and the need for more meaningful

¹¹ Gunilla Carlsson, Swedish Minister for Development Cooperation, September 4.

mutual accountability that supports domestic accountability. Moreover, the premise of the Paris Declaration that the principles are mutually interdependent has been shown to be correct, as is the recognition of the diversity of partner countries, ranging from middle-income to very fragile, meaning that one size does not fit all. Even so, despite the progress, few doubted that there was a long way to go, and that we could and should be doing better.

Since 2005 the political constraints to improving aid effectiveness have come to be more widely understood. It is recognised that accelerated implementation of the Paris Declaration must be seen as more than a technical challenge that need only concern small groups of aid officials. It requires strong political ownership in both partner and donor countries.

Aid effectiveness and aid volume are intimately linked

One powerful reason for raising aid effectiveness is that it strengthens the case for increasing the volume of aid, a point frequently made, including by the World Bank's Managing Director and former Minister of Finance of Nigeria, who noted that the quantity of aid available is likely to rise if we are credible on quality and effectiveness. While ODA has risen in recent years, this increase since 2005 has been only at about one-half the rate needed to meet the Gleneagles commitments of \$130bn per year by 2010; the shortfall is currently estimated at \$34bn¹². Several ministers from donor countries emphasised that aid effectiveness results are essential to sustain the necessary popular support in their home countries.

Aid systems are still flawed

Several participants, including the President of Liberia (who said we need to 'straighten the road from commitment to cash'), referred to the cumbersome, and even dysfunctional, nature of procedures required by some donors and the urgency of streamlining and simplifying. Others, including Ministers of Finance and the IMF, also emphasised the obstacles to improved macro-economic management that are created by the unpredictability of aid, but encouraging examples were also given at the Forum of more donors providing multi-year aid commitments.

Further, many comments were made, both in plenary and in Roundtables, primarily by developing country partners, to the effect that much more use should be made of country systems for a range of functions, including but not limited to procurement and public financial management. The reality or perception is that in many cases efforts made to strengthen these systems are not matched by donors' willingness to use them.

The continuing problems in putting aid on and through the recipients' budget were noted. Afghanistan was given as an example of a country in which some two-thirds of aid is not on the budget. And although donors have made substantial progress in fulfilling the 2005 commitments to untie aid, middle-income countries in particular referred to the need to extend the scope of these commitments, to cover a wider range of developing countries, as well as food aid and technical assistance.

Several developing country partners underlined the findings of the Progress Report that donors that had decentralised decision-making to their embassies and field offices appeared to have made more progress in fulfilling Paris Declaration commitments, in particular supporting country ownership.

¹² In 2007 dollars. Estimated on the basis of the OECD's 2008 survey of donors' forward spending plans. See also www.oecd.org/dac/scalingup.

Fragmentation and proliferation adding to transaction costs

Among other speakers, the President of Ghana, the President of the World Bank, the Minister of Finance of Timor Leste, and the European Union's Commissioner for Development and Humanitarian Aid all commented on the ways in which a multiplicity of donors in individual countries and sectors raise the transaction costs for partners and hinder orderly planning and management.

In response to the fragmentation of aid, several initiatives were outlined. These include the UN's 'One UN,' the European Commission's recent Code of Conduct on the division of labour among its members, and the increasing use of multi-donor trust funds in fragile situations. Participants also reported on the usefulness of Communities of Practice among partner countries, for instance in Asia for Managing for Development Results.

Participants also cautioned on what not to do: there should be a general presumption against establishing new instruments that contribute further to the fragmentation of aid; rather the first option should be to use existing ones.

3.2 UNRESOLVED ISSUES AND FUTURE ACTIONS

While a general consensus has evolved about what needs to be done to improve aid effectiveness, the main difficulties lie in **how** to bring it about. In facing up to the implications of lessons learned, the central task is to change patterns of behaviour, some of which are deeply entrenched. As one participant said, 'Old habits die hard'; changing these will require political leadership from top levels.

Many speakers, including the President of Ghana, stressed the need to be ambitious, as the lives of millions of poor people will be directly and indirectly affected. Several participants said that at the next High-Level Forum in 2011 we do not want still to be in the position of reporting modest but inadequate progress. The journey to make aid more effective has not so far been easy, and will not be easy in the future, but progress has been made, and with ambition and determination can be greatly accelerated. Participants recognised that to bring about the necessary changes to donor and partner patterns of behaviour, underlying political and organisational incentives will have to shift.

Reflecting the determination to follow up the Forum with action, a wide range of measures were identified that are either under way, or need to be started. These related to all the Paris Declaration principles, but particular attention is needed to those principles where implementation has been slow, as for instance with the newer ones of mutual accountability and managing for development results. Many of the specific actions were identified during Roundtable discussions.

Capacity Development

The issue of capacity development recurred frequently in plenary and in all the Roundtables as a priority, not just within partner governments, but more widely for civil society and private sector, and also donor agencies. One Minister defined a core task as being to 'build states capable of delivering on their responsibilities.' The functions to be strengthened were not limited to technical tasks, but extended also to the exercise of leadership and to democratic accountability, including in parliaments.

South-South and trilateral cooperation

Many participants, notably from middle-income countries, were vocal in both plenary and in Roundtables (notably those covering ownership, development results and civil society) that the Paris Declaration did not sufficiently stress the case for more South-South and trilateral cooperation, and several initiatives were outlined (for instance in Colombia which has developed a quality certification system, and from the Asian Development Bank and the World Bank). The AAA was strengthened in this respect.

Local and regional perspectives on the Paris Declaration

The Forum and its preceding consultations revealed the real value of ‘localising’ the Paris Declaration, that is developing local versions to reflect local conditions, as shown in several partner countries, such as Vietnam and Yemen. As a result of points made in plenary and the Roundtables, participants accepted that regional and sub-regional organisations could play a greater role in promoting aid effectiveness. This too came to be reflected in the revised AAA.

Information for transparency, lesson-learning, knowledge-sharing and dialogue

Improving the flows and use of information recurred frequently in plenary and the Roundtables (notably those on ownership, harmonisation, managing for development results, mutual accountability, civil society, and aid architecture). Several initiatives were suggested for improving the transparency of aid (both to facilitate aid management by governments and to enable civil society to monitor it) and to develop and exchange lessons on best practice, including from donors (such as Canada) announcing a more systematic use of medium-term rolling commitments and the new International Aid Transparency Initiative.

Integrating global programmes into more effective aid processes

It was recognised that global programmes bring valuable resources and diversity to the provision of global public goods. But, as was noted by one major foundation present, if fragmentation is to be minimised and support country systems supported, good practice means routinely encouraging grantees to be good partners within the wider aid architecture.

The use of ODA to catalyse private capital to reduce poverty

There was wide acceptance that in the future aid must increasingly be seen in a catalytic role, used so as to leverage processes of wider institutional change within partner countries. This appeared to be most pressing in the area of helping to mobilise both local and private capital into poverty-reducing growth and development.

3.3. THE AAA: A SPRINGBOARD FOR ACTION

Ministers of developing and donor countries endorsed the Accra Agenda for Action on September 4¹³. It is widely seen as a landmark, for what it contains, for the consultative process by which it was developed, and for the high-level political involvement that should provide momentum to ensure that

¹³ The text of the AAA is available at: <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>

commitments are fulfilled by 2010. The AAA urges those parties willing and able to go further than the stated commitments to do so.

The AAA identifies three major challenges to accelerate aid effectiveness:

- **Strengthening country ownership** through: broadening country-level policy dialogue on development; developing countries strengthening their capacity to lead and manage development; and strengthening and using developing country systems to the maximum extent possible.
- **Building more effective and inclusive partnerships** through: reducing costly fragmentation of aid; increasing aid's value for money; welcoming and working with all development partners; deepening engagement with civil society organisations; and adapting aid policies for countries in fragile situations.
- **Achieving development results and openly accounting for them** through: focussing on delivering results; being more accountable and transparent to our publics for results; continuing to change the nature of conditionality to support ownership; and increasing the medium-term predictability of aid.

While the AAA continues work under way since 2005, it includes **new areas of emphasis**, among them:

- Donors aiming to channel 50% of government-to-government aid through partner country systems; and using country systems to deliver aid as the first option, in preference to donor systems.
- In relation to conditionality, donors switching from reliance on prescriptive conditions to a limited set of harmonised and transparent conditions; to support ownership and a focus on results, these will be based on the partner country's development objectives.
- Agreement to complete the ongoing work on good practice principles on division of labour, and to report publicly and transparently in 2009, and a commitment to address the aid-orphan issue through an international dialogue on aid allocations.
- Provision by donors of three-to-five-year forward information on their planned aid to partner countries.
- The use of independent evidence to complement country-level efforts on mutual accountability.
- Strengthening international accountability mechanisms, including peer reviews, and to complete this by 2009.
- Recognition of the increasing importance of South-South cooperation.

In conclusion, and looking to the future, the Chair of the Working Party on Aid Effectiveness summed up the AAA as follows¹⁴:

"This AAA provides a sense of urgency and has strong commitments on all sides. It recognizes new actors in the development arena and notes the growing importance of South-South cooperation. It

¹⁴ Jan Cedergren, September 3rd, 2008.

recognizes CSOs as development actors in their own right and welcomes their own efforts to improve their aid effectiveness.

We are talking about ownership, capacity development and increased use of country systems. We are talking about measures to increase accountability and transparency. We will change the nature of conditionality and increase medium-term predictability. We are recognizing new development actors, the role of middle-income countries and the importance of using experience from developing countries and South-South cooperation. We also recognize the role played by CSOs in development as well as the need to adapt aid policies and the Paris Declaration to countries in fragile situations. We look forward in the document and note that the aid effectiveness agenda is part of the broader financing for development agenda and that there are links both to the MDG High Level event in September and to Doha in November.

This document gives us a very good basis for continued work ahead towards 2010. It will need strong political support and dedicated efforts of all actors to translate this Agenda into meaningful actions both in donor countries and in partner countries.”

ANNEX 1 : PROGRAMME OF EVENTS AT ACCRA

| TIME | SESSION | MARKETPLACE |
|---------------------------------------|---|---|
| TUESDAY • SEPTEMBER 2 • 2008 | | |
| 8:00–9:00am | Registration and Morning Cocoa | Posters on Display |
| 9:00–10:15am | Welcome Setting the Context: Progress since Paris, and Meeting Aid and Development Effectiveness Challenges beyond Accra | |
| 10:00–10:30am | Formal Launch of the Marketplace of Ideas | Posters on Display Speaker's Corner Open |
| 10:30–11:00am | Cocoa Break | |
| 11:00–1:00pm | Panel Discussion and Debate: Aid Effectiveness and Development Results: What Needs to Change and How can the International Aid System Deliver? | |
| 1:00–2:30pm 1:15–2:15pm | Lunch <i>Side Event 1: Climate Change Adaptation and Aid Effectiveness</i> <i>Side Event 2: Role of Statistics in Aid Effectiveness</i> <i>Side Event 3: Regional Centers for Evaluation Capacity Development</i> | |
| 2:30–6:00pm | Roundtable 1: Country Ownership—Whose Ownership? Whose Leadership? Roundtable 3: Harmonization-Optimizing Aid Delivery, Complementarity, Division of Labor Roundtable 4: Managing for Development Results | |
| 6:15–7:15pm | <i>Side Event 4: Predictability of Aid: Challenges and Responses—Experience in the Health Sector</i> <i>Side Event 5: Ownership, Partnership, Results—Gender Equality and Women's Empowerment Make the AAA a Reality</i> | |
| 7:00pm | Cocktail Reception | |
| WEDNESDAY • SEPTEMBER 3 • 2008 | | |
| 8:00–9:00am | Morning Cocoa | Posters on Display Speaker's Corner Open |
| 9:00–12:30pm | Roundtable 2: Alignment—Challenges and Ways Forward Roundtable 5: Making Mutual Accountability Real Roundtable 8: Enhancing Results by Applying the Paris Declaration at Sector Level | |
| 12:30–1:30pm | Lunch | |
| 1:30–5:00pm | Roundtable 6: The Role of Civil Society in Enhancing Aid Effectiveness Roundtable 7: Aid Effectiveness in Situations of Fragility and Conflict Roundtable 9: The Changing Aid Architecture—Implications on Aid Effectiveness | |
| 5:00–6:30pm | Explore the Marketplace of Ideas and Vote for Awards | |
| 5:15–6:15pm 5:45–7:00pm | <i>Side Event 6: The Potential for Private Sector Contributions to Development</i> <i>BBC World Debate</i> | |
| 7:00pm | <i>Session 1 of the Ministerial Segment</i> Dinner for Ministers and Heads of Delegation | Cocktail Reception for Other Participants |
| THURSDAY • SEPTEMBER 4 • 2008 | | |
| 8:45–9:45am | Morning Cocoa | Posters on Display |
| 9:45–10:30am | <i>Session 2</i> Opening of the Ministerial Day of the High Level Forum | |
| 10:40–12:45pm | <i>Session 3</i> New Development Challenges and New Development Partnerships—the Relevance and Urgency of Aid Reform | Speaker's Corner Open |
| 12:45–2:15pm | Lunch | Posters on Display |
| 12:45–2:15pm | <i>Session 4</i> Working Lunch for Ministers and Heads of Delegation | |
| 1:00–2:00pm | <i>Side Event 7: Launch of the International Aid Transparency Initiative</i> <i>Side Event 8: Exploring the Bonn Consensus: Tough Questions on Capacity Development</i> <i>Side Event 9: Moving Beyond Aid</i> <i>Side Event 10: United Nations Development Group: Effective Development Assistance for a Changing World—Country Ownership, Capacity Development and Development Results</i> | |
| 2:15–4:30pm | <i>Session 5</i> The Unfinished Aid Effectiveness Agenda | Poster Award Voting Closes |
| 4:30–4:45pm | Presentation of Marketplace Awards (Plenary Session) | |
| 4:45–5:45pm | <i>Session 6</i> From Paris to Accra to Doha | Posters on Display |
| 5:45–6:00pm | <i>Session 7</i> Conclusion of the Forum | |
| 6:15pm | Press Conference | |



The Paris Declaration on Aid Effectiveness (2005)
Accra Agenda for Action (2008)