THE III HIGH LEVEL FORUM ON AID EFFECTIVENESS, ACCRA 2-4 SEPTEMBER: AN EC ASSESSMENT

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Before the III HLF in Accra, the Commission urged donors to make aid more effective to reach the Millennium Development Goals. What is the EC assessment after Accra?

1. Accra was the first in a row of important high level meetings on development and was followed by the MDG-summit in New York and the follow-up meeting on Financing for Development in Doha. If Accra had failed, there would have been a real risk it would have brought down Doha and New York in its wake.

2. There was a real urgency to show commitment to the aid effectiveness agenda laid down in the Paris declaration on aid effectiveness (2005): the results of the Joint Venture on monitoring the Paris declaration showed that though progress on enhancing aid effectiveness was being made, progress was too slow and there was a real risk that the international community would fail in achieving the targets agreed to in Paris.

3. After a long and comprehensive consultation progress and three intensive days of negotiations in Accra itself, the Accra Agenda for Action (AAA) was adopted. The outcome of Accra was balanced: the developing countries committed themselves to better defining their development strategies, the donors committed themselves to better coordinating their activities and the donors and the developing countries both committed themselves to being mutually accountable for their commitments.

4. It was important that the AAA lived up to its name, that it would be an action-oriented document to advance the Paris agenda on ownership, harmonisation and alignment. The EU was pushing for commitments to be as concrete as possible. These were finally agreed to, especially in the following key areas:

- **Predictability:**

  It has long been recognised that development cooperation should rely on developing countries' own development strategies. In order to support this, and to help developing countries to plan their expenditures ahead, donors should also plan their aid flows for a period of at least three years. Donors should also inform developing countries about their plans.

  **In Accra:**

  The donors agreed to give 3-5 years advance information on their aid allocations in order to help the partner countries in planning their budgets. The EC, basing its work on multiannual programming, is constantly trying to improve the predictability of its own aid. The most notable initiative in this regard is the MDG-contract, a vehicle that would provide guaranteed support to national budgets in the medium-term.
• **Use of country-systems:**

To combat the fragmentation of aid, and in order to strengthen ownership, it is clear that rather than imposing their own agendas on developing countries, donors should help developing country governments develop their own priorities and work through developing countries' own systems.

*In Accra:*

A commitment to direct 50% of government-to-government aid through country systems was agreed to. This has been an EU-commitment since Paris and was reconfirmed in the European Consensus in 2005. The main vehicle for the Commission to reach this target is to channel aid through budget support.

• **Conditionality:**

It is also recognised, that rather than imposing many different conditions before granting aid, donors should focus on the results to be agreed with partner countries, and agree on a limited set of conditions with developing countries and amongst themselves.

*In Accra:*

Donors agreed to move from reliance on prescriptive conditions about how and when aid money is spent to mutually agreed conditions drawn from developing countries' own development policies. This was one of EU's main points in Accra: there is some progress at country level on this, mainly amongst budget-support donors, but further work is definitely needed.

• **Division of Labour:**

There is a clear need for donors to work more closely together, to coordinate their programmes, set a joint agenda and decide together. A multitude of donors are active in one sector or country, while others remain neglected: the situation of aid "orphans" where countries are forgotten about in favour of aid "darlings" where donors are queuing up needs to be rectified. Improved division of labour would also simplify administration for developing countries – as they normally have to comply with many different donor procedures.

*In Accra:*

It was agreed to start an international dialogue on addressing the imbalances of funding between countries and also to compile good practice principles on country-led division of labour. Since the adoption of its Code of Conduct on Division of Labour, the EU has been particularly pro-active in advocating urgent acceleration of division of labour at the country level, including through lead donors arrangements and delegated cooperation:

5. **Accra was a wake-up call, and it also gave us the plan according to which to move forward. Major challenges however remain ahead: the "easier" parts of the Paris Agenda have been implemented. The hardest nuts are yet to be cracked: those that require bold political decisions and administrative or legal actions. As Commissioner Michel has said: "Now the challenge is to ensure this rhetoric is translated into practice on a wide scale."**