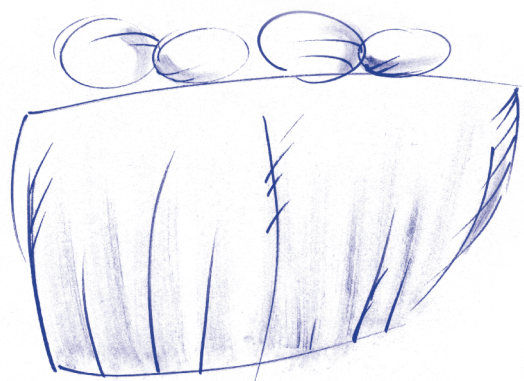# GETTING TO KNOW THE 'AID EFFECTIVENESS PROCESS'

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Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتنمية

In this Brochure you will find an introduction to the aid effectiveness process, key milestones through which the concept was developed, Main Principles that define the concept, Challenges that face the implementation of aid effectiveness, and a highlight on the context of the arab region and the role of civil soicety.

Aid Effectiveness; A Concept and a process:

The concept of Aid Effectiveness has been negotiated and developed at the global level since the year 2003. Officially, the Aid Effectiveness process is presented as a process towards "ensuring the maximum impact of development aid to improve lives, reduce poverty and help achieve the Millennium Development Goals (MDGs)"[1]. The discussion about Aid Effectiveness came as a response to the challenges emerging from inadequate methods and differences in donor approaches, which made aid less effective. This process is led by the Working Party on Aid Effectiveness at the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD-DAC)[2], which organized a series of high level forums related to Aid Effectiveness.

The process include so far:

- The first High Level Forum on Harmonization in Rome (2003), which concluded with the Rome Declaration on Harmonization
- The second High Level Forum in Paris resulting in the 'Paris Declaration on Aid Effectiveness'
- The third High Level Forum in Ghana (2008) concluded with the Accra Agenda of Action.
- The fourth High Level Forum on Aid Effectiveness in Busan, South Korea (2011) which was crowned with Busan Partnership or Effective Development Co-operation.

First High Level Forum on Harmonisation. Rome, Italy (2003)

Declaration on Harmonisation

Second High Level Forum. Paris, France (2005):
- **Ownership:** developing countries set their own priorities for development, strengthen their institutions and lead in coordinating aid.
- **Alignment:** donors line up their aid behind developing country priorities and make better use of a country's plans, policies and systems.
- **Harmonisation:** donors coordinate to avoid duplication, simplify procedures and agree a better division of labor with partner countries.
- **Managing for results:** developing countries and donors keep their focus on producing - and measuring - results.
- **Mutual accountability:** donors and developing countries are held accountable for the results they achieve to each other, and to their parliaments and public.

Paris Declaration on Aid Effectivess

Third High Level Forum. Accra, Ghana (2008):
- **Predictability:** donors provide, when possible, 3- to -5 year estimates of their planned aid.
- **Country systems:** partner countries strengthen their capacities; developing country systems are used to deliver aid as the first option.
- **Conditionality:** donors switch from prescriptive conditions on how and when aid money is spent to conditions based on the developing country's own objectives.
- **Untying:** donors relax restrictions that prevent developing countries from buying the goods and services they need wherever they can get the best quality at the lowest price.
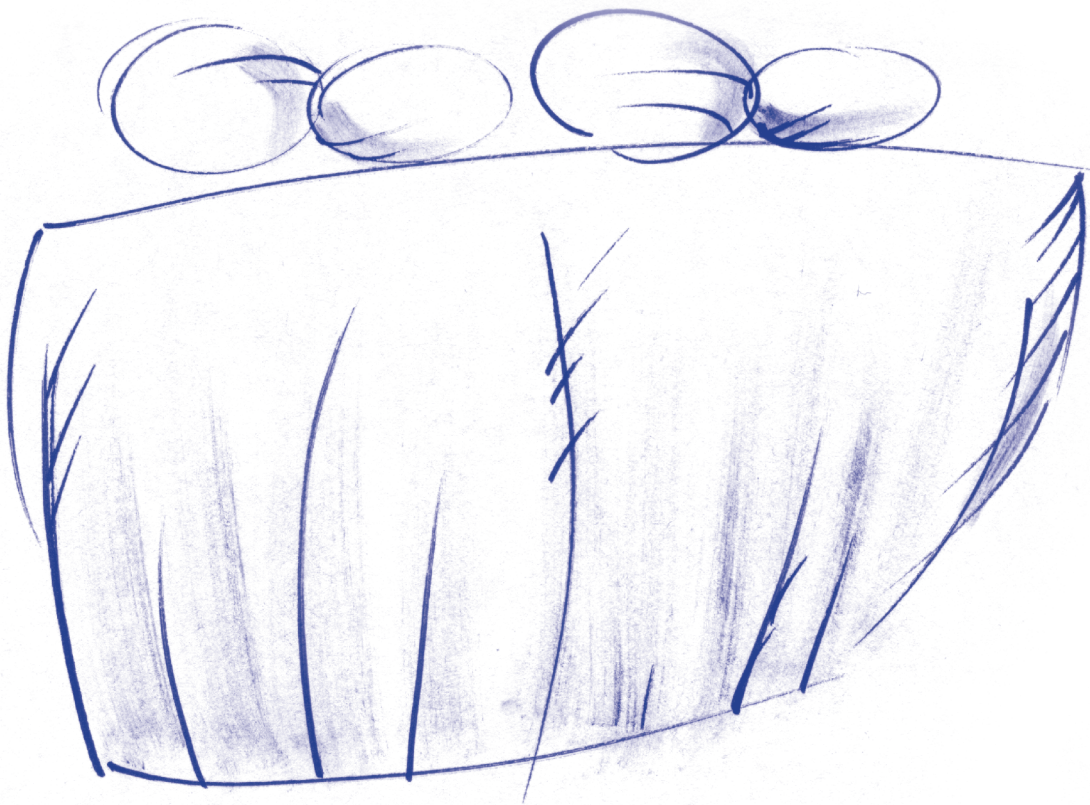
Accra Agenda for Action

Fourth High Level Forum. Busan, Korea (2011):
- **A broader and deeper partnership at all levels of development**, including developing and developed countries, as well as private and non-governmental organizations.
- A set of aid effectiveness principles based on **persuasive evidence** to eliminate policies that make development results more difficult to reach.
- A revitalized global effort towards reaching the MDGs and addressing the need for global public goods.
- The recognition of the need of **security, capacity and special consideration to the world's poorest and most fragile states**.
- The recognition that achieving results must be based on policies, laws and institutional arrangements that encourage everyone to directly participate in the development process
- The recognition that all participants in development are mutually accountable in producing and measuring results - which means that they must develop the capacity to collect, evaluate and report data that illustrates the effectiveness of programmes and their worth.

Busan Partnership or Effective Development Co-operation

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1 Aid Effectiveness portal; www.aideffectiveness.org/ www.aideffectiveness.org/busanhlf4/en/about/about-busan/439.html
2 The Development Assistance Committee (DAC) is the principal body through which the Organization for Economic Cooperation and Development (OECD) deals with issues related to co-operation with developing countries. http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html

The Engagement by Civil Society Organizations (CSOs)

- **At the beginning of the OECD-DAC processes**, the perspectives of CSOs were largely absent from the discussions. In response, CSOs began to combine their efforts to systematically organize their engagement in the Aid Effectiveness processes.

- **In Accra (2008)**, CSOs were recognized as an active actor in the process of development effectiveness for the first time at the High Level Forum (HLF). They were referenced as "development actors in their own right".

- **CSOs organized themselves through the BetterAid Platform.** The BetterAid (www.betteraid.org) is an open platform that unites over 700 development organisations from civil society, and has been working on development cooperation and challenging the Aid Effectiveness agenda since January 2007.

- **CSOs launched the 'Open Forum' process to a**ddress the development effectiveness of CSOs. This culminated in a global consensus known as the **Istanbul Principles and the Siem Reap on the International Framework for CSO Development Effectiveness,** which represented the foundations for strengthening civil society's own effectiveness as development actors.

Istanbul CSO Development Effectiveness Principles

- Respect and promote human rights and social justice
- Embody gender equality and equity while promoting women and girl's rights
- Focus on people's empowerment, democratic ownership and participation
- Promote Environmental Sustainability
- Practice transparency and accountability
- Pursue equitable partnerships and solidarity
- Create and share knowledge and commit to mutual learning
- Commit to realizing positive sustainable change

Source: http://www.cso-effectiveness.org/IMG/pdf/final_istanbul_cso_development_effectiveness_principles_footnote.pdf

- For CSOs, the HLF4 in Busan has been a particularly significant milestone whereby it indicated that civil society actors, and for the first time, participate as full and equal stakeholders in Aid Effectiveness negotiations alongside governments and donors. It was thus a unique opportunity to influence development cooperation from the point of view of people's organizations and promote the shift from a technical Aid Effectiveness approach to a development effectiveness. The latter is based on a long-term sustainability and addresses the root causes of poverty and the realization of human rights.

From "country ownership" to "democratic ownership"

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

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

Democratic ownership more clearly places people at the center of Aid and Development Effectiveness. Democratic ownership is not only about inclusive participation which largely remains at the discretion of governments or donors; rather, it centers the legitimacy of development priorities and processes on the rights of people to access democratic institutions. These institutions must fully engage all citizens – from women and girls to men and boys – in processes for determining and implementing national development plans and actions. Development results are not only determined by aid and development resources allocated to achieve such results, but are also often limited by power relations within societies and between countries.

Reality of Aid Methodology to measure progress in democratic ownership and development draws on findings and analysis by CSO authors in four (4) essential areas:

1- Progress in creating multi-stakeholder formal bodies and effective broad consultation processes to determine and monitor development policies, plans and strategies, which are inclusive of women and marginalized populations;

2- The existence of an enabling environment;

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

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

Democratic ownership and development effectiveness: Civil society perspectives on progress since Paris.
http://www.realityofaid.org/roa-reports/index/secid/379/Democratic-Ownership-and-Development-Effectiveness-Civil-Society-Perspectives-on-Progress-since-Paris

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- In 2012, CSOs decided to merge the efforts by BetterAid and the Open Forum in one international network for civil society organization the "CSO Partnership for Development Effectiveness".

Extract from the 'Busan Partnership for Effective Development Cooperation' (Paragraph 22):

Civil society organizations (CSOs) play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation. They also provide services in areas that are complementary to those provided by states. Recognizing this, we will:

a) Implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximizes the contributions of CSOs to development.

b) Encourage CSOs to implement practices that strengthen their accountability and their contribution to development effectiveness, guided by the Istanbul Principles and the International Framework for CSO Development Effectiveness.

2007
- **BetterAid Coordinating Group**
- **Advisory Group on Civil Society and Aid Effectiveness.**
- **Formal link between CSOs and the OECD.**

2008. Creation: Open Forum for CSO Development Effectiveness

2009. Open Forum conducts regional seminars to consult with stakeholders and prepare for the Open Forum process

2010. Launch of the Open Forum national consultations. Open Forum first Global Assembly and endorsement of the Istanbul Principles

2011. CSO Strategy Meeting and agreement on CSO Key Messages and Proposals for the Fourth High Level Forum on Aid Effectiveness

2012. The Open Forum and BetterAid are working together with CSOs across the globe to establish a Global CSO Partnership for Development Effectiveness (CPDE). This CSO initiative is in response to the 4th High Level Forum on Aid Effectiveness and civil society's significant role therein.

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BUILDING BLOCKS

The Building Blocks are voluntary initiatives launched at the fourth high level forum (HLF4) enabling development partners and organizations to unite behind pressing development issues and to make concentrated efforts to further progress in areas which may be beyond the commitments of the Busan partnership.

The Blocks are: 1) Results and Accountability, 2) Transparency, 3) Managing Diversity and Reducing Fragmentation, 5) South-South and Triangular Cooperation, 6) Fragile States, 7) Climate Change Finance, 8) Effective Institutions, and 9) Public Private Cooperation.

Civil society is promoting the creation of two more Building Blocks – Human rights based approach and enabling environment, which are considered relevant to advance within the Busan Partnership Frame.

SOME GLOBAL CHALLENGES AND ISSUES TO BE TAKEN INTO CONSIDERATION

- The recent multiple global crises have added significant impact on the pace and quality of development outcomes;

- The volume of Official Development Assistance (ODA) has increased, but questions persist about its effectiveness in contributing to sustainable development outcomes;

- The Aid Effectiveness process lack commitments to adopt human-rights based approaches;

- The nature of the commitments to the principles that are being developed remains voluntary and lack clear mechanism that allow following the implementation of the commitments developed in Paris, Accra, and Busan;

- South-South Co-operation (SSC) has become a tangible source of development co-operation, with middle-income countries building horizontal partnerships to share development experiences and knowledge and to play a key role in the new co-operation architecture. Yet, there are more needs to be practiced and developed in this area;

- Aid delivery agencies have proliferated multilaterally and bilaterally, causing more competition and greater specialization, but also making aid management more complex and costly;

- The Aid Effectiveness process is highly technical. It mainly focused on procedures for aid management and delivery, with insufficient attention and resources to assess and monitor actual impacts in terms of achieving development goals, such as poverty reduction, pro-poor growth, and the elimination of social discrimination and disparities, including gender inequalities;

- There is a persistent need to reform the architecture for international development co-operation to make it more effective, transparent and inclusive;

- The Aid Effectiveness process lacks a critical approach to retaining the private sector-led growth as framework for development.

PROMOTING DEVELOPMENT EFFECTIVENESS

Development effectiveness is about the impact of development actors' actions on the lives of poor and marginalized populations. Development effectiveness promotes sustainable change that addresses the root causes as well as the symptoms of poverty, inequality and marginalization. This approach positions poor and marginalized populations as central actors and owners of development, challenging many of the current approaches to aid effectiveness.[1]

Development effectiveness requires significant changes in international global governance structures at all levels, including trade, financial markets, foreign direct investment, and debt. In practical terms, it means empowering the poor and respecting, protecting, and fulfilling international human rights standards, including economic, social, and cultural rights. It also means that gender equality and women's rights are explicit in every sector - rather than only "mainstreamed", which can result in the interests of women becoming invisible. These objectives must guide Declaration on policy discussion, orient participation, and underpin priorities in aid budgeting, planning, and monitoring. A development effectiveness approach should take advantage of existing monitoring and reporting systems for international human rights standards, gender equality, decent work, and sustainable development commitments, using these standards as a basis for measuring development outcomes.

Source: *Better Aid, "Development Cooperation: Not Just Aid- Key Issues: Paris, Seoul and Beyond", (November 2009).*

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1 The Reality of Aid 2010, Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy, IBON Books, Philippines 2010.

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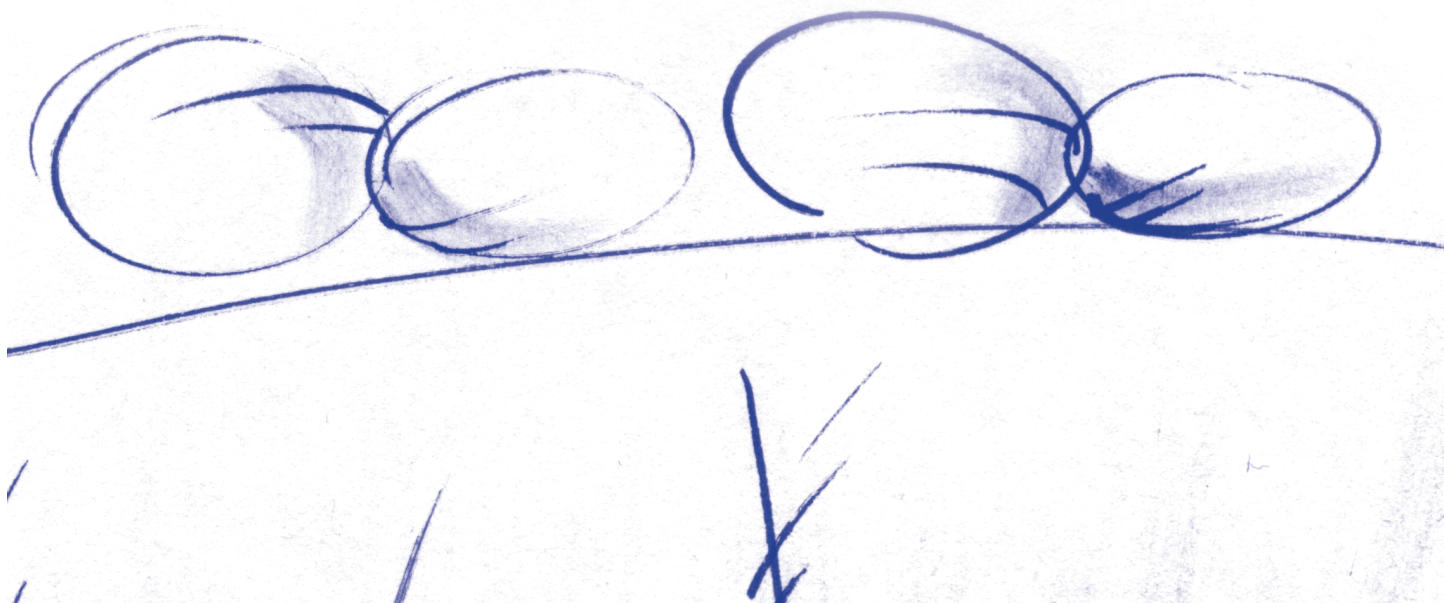
FEW RECOMMENDATIONS FROM CIVIL SOCIETY ORGANIZATIONS IN THE ARAB REGION[3]:

- **The 'Aid Effectiveness Process' should contribute to the process of rethinking economic and development models, enhancing the centrality of people's economic and social rights and rights to development as well productivity, redistribution, decent work, and fair wages.** Such a process necessitates the review of the mechanisms in place for receiving international aid and financial assistance and the ways it is used.

- **In the areas of conflict and occupation, development aid should serve the rights of the people to self-determination and support their resilience,** through developing a comprehensive development vision that prioritizes conflict resolution, peace building and civic peace that is just and comprehensive, and avoiding any political conditionality of association of the aid.

- **The architecture of international cooperation and development assistance- including the role of international institutions in this architecture- should be revisited,** especially in light of the global economic crises.

- **The role of multilateral financial and development institutions managing aid (such as the International Monetary Fund, World Bank, regional banks such as the African Development Bank, European Investment Bank) should be assessed** in terms of its development value-added and outcomes, ability to serve the aspirations of peoples in beneficiary countries and their own development objective and rights, as well as transparency and democracy of used mechanisms.

- **Transparency of aid and clarity on its nature and objectives** should be enhanced, through the involvement of all parties concerned in the recipient countries in determining the content of the related agreements, determining their nature- whether loans or grants- and participating in the mechanisms for dissemination and allocation to various economic sectors.

- **The path of discussing Aid Effectiveness should be linked with international processes addressing development and human rights**, such as the Millennium Development Goals beyond 2015 and the path of Rio+20 for sustainable development, especially since one of the major hindrances facing the latter arise from mobilizing international cooperation and resources in order to support p**rogress.**

- **National systems and institutions in the beneficiary countries should be strengthened and their capacity in monitoring, planning and accountability enhanced**. In this regards, governance ought to be stressed on and approached from a development perspective and not technical approach, thus enforcing governance as a democratic participatory process that results in cooperation frameworks.

- **The discussion of the principle of "national ownership" should be expanded to encompass "democratic ownership",** which enforces the participation of various stakeholders in the development process and in decision-making and establishing development strategies that determine the frameworks for the systematic and sustainable use of aid.

- **The nature and norm of development cooperation that was established with previous regimes in Arab countries that witnessed popular revolutions have proved a failure in terms of development added-value and need to be reviewed.** Although many donor institutions have taken initiatives towards these countries in light of the revolutions, none present a critical revision of their role and interventions.

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3 Recommendations from Civil Society Organizations, outcome document of the Aid Effectiveness Workshop and Multi-Stakeholder Consultation for Lebanon June 21-22, 2011.

USEFUL RESOURCES:

Official documents:
The Rome Declaration on Harmonisation http://www.oecd.org/dac/aideffectiveness/31451637.pdf
Paris Declaration and Accra Agenda for Action
English: http://www.oecd.org/dac/aideffectiveness/43911948.pdf
French: http://www.oecd.org/fr/developpement/efficacitedelaide/34579826.pdf
Busan Partnership Agreement for Effective Development Cooperation
English: http://www.oecd.org/dac/aideffectiveness/49650173.pdf
Arabic: http://www.oecd.org/dac/aideffectiveness/49650209.pdf
French: http://www.oecd.org/fr/cad/efficacitedelaide/49650184.pdf

Toolkits:
Putting the Istanbul Principles into Practice
English : http://www.cso-effectiveness.org/IMG/pdf/230111-implementation-toolkit-en-web.pdf
French: http://www.cso-effectiveness.org/IMG/pdf/230111-implementation-toolkit-fr-web.pdf
Advocacy Toolkit
English :http://www.cso-effectiveness.org/IMG/pdf/120110-of-advocacy_toolkit-en-web-2.pdf
French:http://www.cso-effectiveness.org/IMG/pdf/120109-of-advocacy_toolkit-fr-web-2.pdf

Websites:
www.cso-effectiveness.org
www.betteraid.org
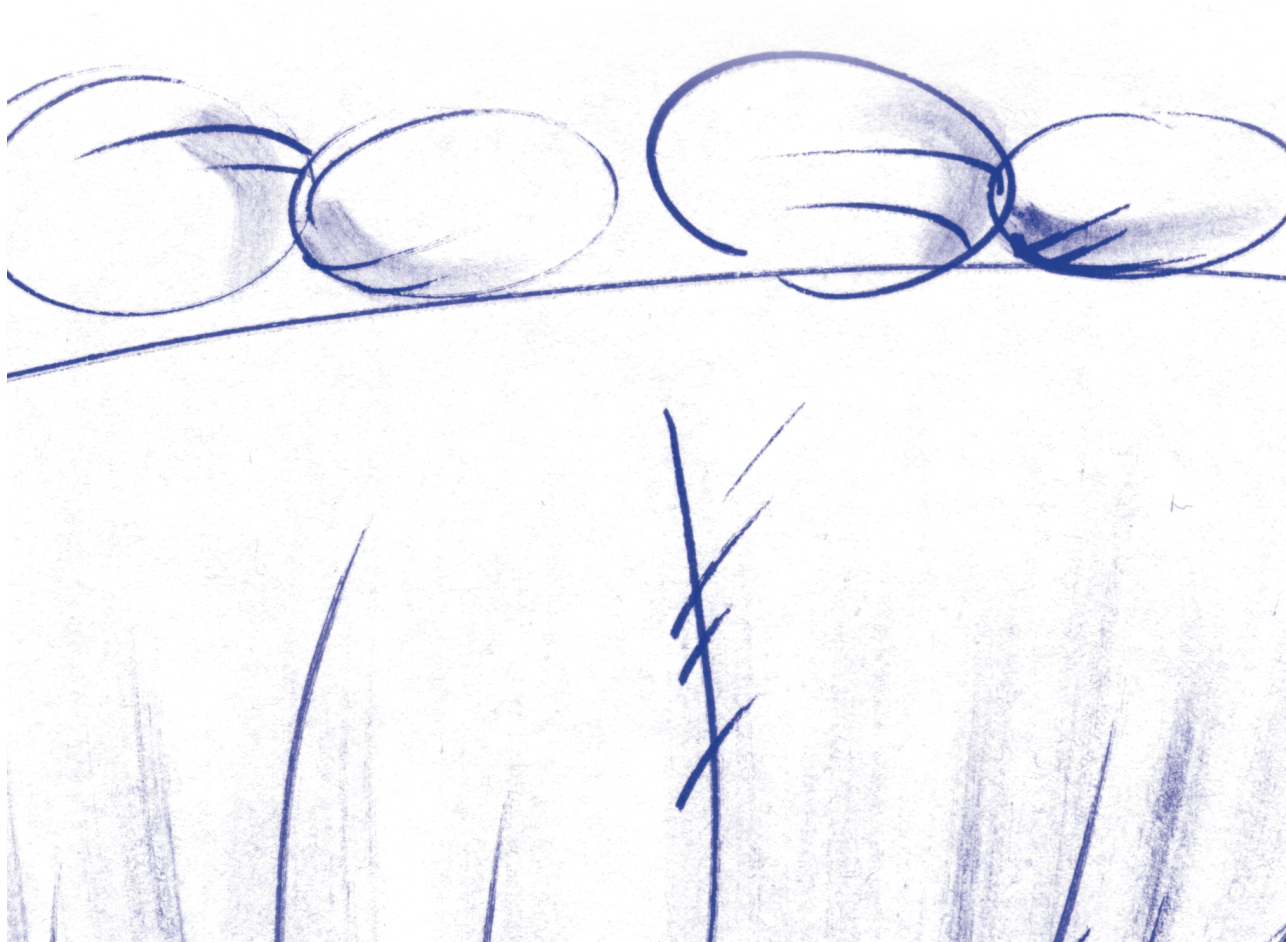http://www.oecd.org/dac/aideffectiveness/usefulaideffectivenessdocuments.htm
http://www.realityofaid.org/
http://www.undp.org/content/undp/en/home/ourwork/capacitybuilding/focus_areas/focus_area_details1.html
www.csr-dar.org

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