

## FROM THE 2005 PARIS DECLARATION TO THE 2008 HIGH LEVEL FORUM

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The third High Level Forum (HLF3) on Aid Effectiveness initiated by the OECD was held in Accra, the capital of Ghana, early in September 2008, its objective being to assess the progress made so far in implementing the Paris Declaration of 2005 as well as to adopt a separate plan of action, the Accra Agenda for Action (AAA), to determine what should be done in the future. Considerations were based on the five key points of the Paris Declaration – assigning more responsibility to the partner countries (ownership), concentrating on development strategies, institutions, and procedures (alignment), harmonizing the donors' activities and rendering them more transparent (harmonization), introducing a result-oriented management (managing for results), and ensuring mutual accountability.

It was a long path to the Paris Declaration: While a catch-up development model was supposed to achieve a breakthrough in the sixties, when many countries celebrated their recently achieved independence, the seventies were dominated by a basic-needs strategy, the first model having failed. What followed was the 'lost decade' in which the developing countries accumulated large debts, resulting in social distortions which were to be cushioned by specific programmes. 'Sustainable development' and/or 'poverty alleviation by help towards self-help' were the watchwords of the nineties, forming the basis of Agenda 21. This agenda, in turn, led to the UN Millennium Declaration of 2000 – the foundation on which the Paris Declaration was built.

However – although the path was long, mass poverty was not reduced in any way. After the debate about market liberalization and macro-economic stabilization it seems consistent that the fight against poverty should be the key issue once again. In this context, it is largely undisputed that economic, political, institutional, socio-cultural, and ecological factors must not be left out of consideration when analyzing the origin of poverty.

To be sure, the process of the Paris Declaration (PD process) is only one aspect of development cooperation, the Declaration itself speaking of the effectiveness of aid, not cooperation. However, some people say that the Declaration has a great political potential, pointing at the difficult and long process that was required to make it possible, and to the underlying partnership obligations that would, willy-nilly, cause a change in political thinking.

However, one negative aspect is that there is no indication that this potential is actually being used. The fact that the north fancies itself as a moralist,

even though there are some exceptions, and that the developed democracies do not or only partly meet their obligations furnishes food for thought. Another negative aspect is that it is not certain whether the political processes initiated will be sustainable enough to outlast regimes changes.

And there are other flaws: For one, the importance the Paris Declaration ascribes to civil society – which is only mentioned briefly – is by no means satisfactory. The NGOs must be careful not to let themselves be instrumentalized. To prevent this, they should seek to be involved in concrete plans and support processes.

In order to obtain hard data that reflect the status of progress towards more efficiency in development cooperation after 2005, the OECD conducted a 'Survey on Monitoring the Paris Declaration' in 2006 which produced valuable results. As far as the ownership principle is concerned, no more than 17 percent of the 34 receiving countries surveyed in 2005 met the criterion of having their own national development strategy, with the relation between budget formulation and the implementation of national development plans showing the largest deficits. With respect to the alignment principle, 39 percent of ODA funds went to government sectors. In this context, there were considerable variations between donors and receiving countries, depending on the quality of the national systems involved. Regarding the harmonization principle, the survey revealed the relative costs resulting from, among other things, the ownership strategy. As transaction expenditures will probably rise in the future, the focus increasingly is on donor harmonization. About managing for results, the survey says that the manner in which proof of results is furnished should be cast into concrete political terms by 2010. And in view of the accountability principle it may be said that the development of mechanisms to assess the achievements made so far has only just begun.

As explained, the purpose and objective of the HLF3 was to analyze and assess current progress in implementing the Paris Declaration, to determine how to observe the effectiveness of ODA and, based on this, to develop a concrete plan of action, the Accra Agenda for Action (AAA). However, Accra is now a thing of the past, and the question of what has been achieved was debated at a meeting that was attended by 800 ministers and government representatives as well as by some 1000 members of NGOs and/or CSOs from 88 countries. It must be said that the results of the HLF3 have markedly fallen short of the NGOs' expectations. Especially the USA, the World Bank, and Japan were reluctant to render development cooperation more effective in the future. If the stagnation of the implementation process of the Paris Declaration has been averted, it was thanks to the solidarity of the Europeans. To sum up, the Accra Agenda for Action that was finally adopted is at least better than it could have been in the worst case.

It is remarkable that, unlike the Asian and Latin American countries, the African countries avoided any kind of offensive action, probably because they did not want to disgruntle the World Bank. Conversely, clear demands on the government representatives attending the summit were made by the worldwide Network of Civil Society Organizations (CSOs), in which the German NGO network VENRO also takes an active part. On the initiative of the network, a statement on the deficits of the agenda adopted at the Accra Summit was issued after the meeting. It said that, in concrete terms, the following points had been neglected: 'Removing harmful policy conditionality that undermines democratic processes', 'ensuring aid doesn't bypass domestic processes and scrutiny', 'making aid much more predictable over the medium term', and 'untying all aid from the purchase of rich country goods and services, including food aid and technical assistance'.

Although emphasis was placed on the NGO positions, it must be pointed out that they shared the 'official' demand for more funds. Even though many of the NGO positions are politically correct, they must be considered utopian, as they largely disregard the true power structures of the southern countries. This probably motivated countries such as Japan and the USA to insist on conditionalities – a vicious circle that has already been pointed out by ODA theorists, even though only in the context of the poverty problem.

Aid dependency and the question of how developing countries might free themselves from it is the main problem of development cooperation. All players supporting the process of cooperation have for a long time been expressing their discontent with what is being practiced internationally. It is necessary to develop alternative cooperation strategies. In this context, political foundations could act as think tanks. To achieve a paradigm shift in development cooperation it might be necessary to challenge the leading role played by the strategies of the World Bank and the Federal Government of Germany.

A diplomat recently said, 'Developing countries reliant on aid want to escape from this dependence, and yet they appear unable to do so.' Tanzania's former president, Benjamin Mkapa, formulated the resultant objective: 'The primary and long-term objective [should be] to initiate a debate on development aid, and to lay out a doable strategy for ending aid dependency.'

Using the boost of the Accra Summit, the short-term objective must be to initiate a dialogue on the effectiveness of development cooperation within the framework of the agenda adopted. Possible drawbacks of implementing the agenda in the developing countries, especially those African countries that are ruled by corrupt elites, should be made an issue.

Another problem is that the AAA lacks concrete concepts to reduce the countries' dependence on aid, so that an exit strategy for exactly this help is needed. However, we should not use the experience of countries such as India, China, Brazil, or Malaysia for comparison because, given the small share of aid in their own overall budget, these countries have never fallen into the aid trap, and some have been very successful in meeting the challenges of the global economy. Rather, we should turn our attention to Africa, where weak national economies are left at the mercy of the global economy almost without protection. The Europeans also play a part in this: The economic partnership agreements have a disastrous effect on Africa's developing countries, which once again failed to present themselves as one unit in Lisbon.

The search for other development cooperation options is urgent and the challenges are defined. It is not least the political foundations that should take up these challenges.

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