

# From Paris to Accra: building the global governance of aid

## FRIDE Development In Context

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## About FRIDE

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2008 is to become another landmark year for international development. Three summits are to follow up on the 2000 Millennium Development Goals (in New York in September), on the 2002 Monterrey Consensus (in Doha in December) and on the 2005 Paris Declaration (in Accra in September). Over the last 50 years, foreign assistance – termed development cooperation in more recent times – has witnessed a shift from being a soft external action tool to becoming part of an integrated multilateral system geared towards poverty reduction and oriented by internationally agreed standards. This backgrounder traces the various streams converging in what is now dubbed the “new aid architecture” and identifies the areas of dissent in the construction of the global governance of aid.

## Getting to Paris: from foreign assistance to aid effectiveness

“Development” as an academic concept and professional practice has been subject to rapidly changing fashions and doctrines (Browne 2006). Starting in the 1950s, an “investment gap” was identified that could be filled with a “big push” catapulting poor countries onto the growth path. State-driven economic development and public investment programmes became the benchmarks. In the 1970s, the “basic needs approach”, defined largely by the International Labour Organisation (ILO) and other UN bodies, shifted the focus from economic development towards the provision of basic services, namely food, health, education, shelter and water & sanitation.

At the same time, as a result of the deadlocked debt crisis and decreasing development financing as a consequence of aid fatigue, the agenda of structural adjustment programmes (SAPs) was launched by the Bretton Woods Institutions in the late 1970s. It set macro-economic stability as its core objective and prescribed a general downsizing of the state. The underlying policy package had been labelled as the “Washington Consensus” (Williamson 1990). The first generation of macroeconomic conditionalities for development assistance in the 1980s were then complemented in the 1990s with second-generation conditionalities on good governance, which later aimed to bring the state back in as a development actor (World Bank 1997). However, the Washington Consensus has been implemented on the basis of deep conditionalities, while recipient countries often lacked real commitment and adequate capacities to meet this agenda.

SAPs became the key target for criticism, for example in the landmark UNICEF publication on “adjustment with a human face” (Jolly 1991), that attempted to get

the basic needs concept included in Bretton Woods policies. The UN Human Development Index, launched in 1990, was designed to support this argument. It seemed clear that SAPs had led both to very poor development results, on occasions even impoverishing the poor, and to a serious deterioration of relationships between donors and recipients, with very little advance in policy reforms at the country level.

It was in this context that effectiveness became a central reference for the aid agenda. The contribution of aid to development was weak and even counterproductive, because recipient countries lacked sufficient commitment and capacities on the basis of a conditionality-based aid regime. Consequently, the aid architecture was to be reformed and new relationships to be constructed. The first key development policy options for the new partnership paradigm arose from the DAC report in 1996 (OECD/DAC 1996), which established individual and common roles for donors and recipients, including deep changes on the donors’ side. In the late 1990s a highly influential World Bank report (1998) criticised the actual impact of aid on reducing poverty and proposed that aid works (only) in “good policy environments”, which in these reports was defined as governments having effective public administrations and sensible macro-economic policies. They also have to be genuinely committed and “own” the policies. This was the basis for the selectivity approach, rejected by some as “conditionality in disguise” (Hermes & Lensink 2001), where money should only be given to countries committed to reform, thus changing the incentives of aid allocation.

Meanwhile, Director James D. Wolfensohn pushed the rethinking of the aid agenda at the World Bank, leading to the groundbreaking Comprehensive Development Framework (CDF), launched in 1999 (World Bank 1999). The CDF established poverty reduction as a central goal for public policies and proposed that developing countries draft national development plans that would then be supported. These became known as Poverty Reduction Strategy Papers (PRSP). They became particularly relevant as “action plans” for debt relief in Highly-Indebted Poor Countries (HIPC). It is

important to highlight that the principles of the Paris Declaration are rooted in the CDF, especially those related to ownership, harmonisation and managing for results.

On the institutional side, since the 1960s aid delivery has experienced growth in both actors and complexity. In the early 1960s, the Development Assistance Committee (DAC) of the OECD was founded. It has since become the clearing-house for definitions of what aid is (quantitatively) and what it should be (in terms of good practices) as well as establishing mechanisms of peer reviews. Donor coordination has become increasingly important, as the number of actors in any one country and sector has risen fast.

Regarding the redefinition of development understanding, in the 1990s the UN organised a number of international conferences (on education in Jomtien, 1990, on children in New York, 1990, on the environment in Rio de Janeiro, 1992, on human rights in Vienna, 1993, on population in Cairo, 1994, on social development in Copenhagen, 1995, and on women in Beijing, 1995). This agenda setting was first systematised in the 1996 DAC report (OECD/DAC 1996) and endorsed by the CDF, and then led to the Millennium Development Declaration that specified eight goals with respective measurable targets for 2015 (United Nations 2000). However, not all of the internationally agreed development goals (IADGs, see ECOSOC 2005) became integrated into the MDGs. There have been recent attempts to include those that have been left out (ECOSOC 2008a), such as inequalities and the different dimensions of human development, as conceptualised by the UNDP.

In response to the MDG challenge, donor and developing countries met in Monterrey in 2002 for the *Financing for Development* Conference, which was to match financial resources to the expected social outcomes. The substance of the Monterrey Consensus (United Nations 2002) is a compact between donors and recipient countries. Whilst donors committed to fairer trade rules, sustainable debt management, predictable aid flows and policy coherence for

development, developing countries committed to “good governance”. This translates into sound economic policies, solid democratic institutions, respect for human rights and the rule of law, and business-friendly regulatory frameworks. Their definition, measurement and respective relevance have since been contested (see as an example OECD/DAC 2008a).

In the aftermath of Monterrey, the DAC of the OECD regained its leadership in agenda-setting, especially through its commitment to harmonisation, based on good practices identified by the DAC and endorsed by the Rome Declaration (2003), and managing for results, the principles of which were adapted in the Marrakech Memorandum (2004). Whilst the OECD and its commissions is a multilateral club exclusively for the rich nations, the DAC in 2003 established a working group that has been genuinely tripartite (bilateral, multilateral and recipients), the Working Party on Aid Effectiveness (WP-EFF). It is from this group that a number of threads on both aid effectiveness, the relationship dimension of aid and technical issues of aid delivery were woven together.

In 2005 this rather weakly institutionalised body drew up the Paris Declaration on Aid Effectiveness (PD) which has since fuelled an unprecedented dynamic of establishing practices of donorship and their measurement. It comprises five principles, bringing together various streams that had developed over the previous years and summarizing key policy developments, many of which had already been mentioned in the 1996 report (OECD/DAC 1996).

“Ownership”, the design and implementation of policies by governments, was identified as the one condition for any kind of success in achieving development results. After the early focus on democratic ownership of “locally-owned development strategies” proposed by the DAC (1996), ownership had been watered down to the procedural drafting of a national Poverty Reduction Strategy Paper (PRSP). The participative approach to PRSP was defended in the context of CDF, but in practice often resulted in donor-dictated policy packages simply being

rubberstamped in consultation with civil society. In spite of a rich debate on country ownership inspired by the CDF evaluation in 2001 (World Bank 2003a), the concept of ownership suffered an increasing “technocratisation”. Sensitive issues, for example how to create social consensus on development in developing countries, to foster an institutionalised participation system at the country level or to incorporate a democratising logic in aid relationships, were sidelined in favour of a measurable, yet politically somewhat naïve focus on establishing aid-friendly development strategies with an adequate Medium-Term Expenditure Framework (MTEF), assessed by the World Bank. In the months previous to the HLF in Accra, democratic ownership (Zimmermann 2007, Meyer 2008) has become a strong reference for civil society, while the inclusion of other actors representing a democratic system (mainly parliaments, local and regional governments, and supreme auditing institutions, but also media and private sector associations) still remains a huge challenge.

“**Alignment**” refers to the channelling of aid through developing countries’ government policies and systems. It bridges harmonisation and ownership and represents the most technical part of the PD. Being the most recent principle to be included in the PD, alignment was finally backed by no less than seven of the total twelve indicators measuring progress of PD implementation at the country level. Two main triggers contributed to the prominence of alignment: The necessity of capacity building of country systems (such as procurement and public financial management) and the increasing interest of both sides of the partnership in channelling aid through PBA. In this context, a number of assessment tools (PEFA, CPIA etc) gained increasing relevance and led to a learning process on public financial management in developing countries. However, whilst the Monterrey Consensus defended a “holistic approach” to development financing (including debt, trade, foreign direct investment and domestic resources) and called for a subsequent improvement of national systems in order to effectively use a mix of predictable financial resources, the PD only focuses explicitly on the aid dimension, thus

leading to a loss of the more comprehensive Monterrey perspective. This explains why many developing countries are actually committed to reforming their systems but feel uncomfortable with the “dance around the budget” between the government and donors that is centred on aid flows while affecting core areas of statehood.

“**Harmonisation**”, the principle that relates to a specific donor responsibility, aims to tackle one of the mayor constraints to aid effectiveness: project proliferation and the complicated mosaic of donors that overburdens the recipient’s administrative capacities and fuels transaction costs, while also impeding clear information on and predictability of ODA flows. The early commitment to “country-led aid coordination” (one of the four pillars of the CDF) was clearly linked to deep changes in donor performance facilitating a more equal aid relationship, i.e. an ownership supported by donor coordination. One of the main opportunities was seen in pooled funding and PBA, an aid modality that is still quite weakly defined. Further progress on the operational dimensions was made in the Rome Declaration (2004), which endorsed the DAC guiding principles published in 2003. In the PD, harmonisation is a stand-alone principle with outstanding conceptual clarity, although linkages and potential conflicts between ownership and harmonisation remain somewhat unclear. Based on a strong commitment from the European Union, division of labour between donors has gained a prominent role and will be part of the Accra agenda.

“**Managing for results**” follows a general trend in public administration from inputs to outcomes. Also inspired by the MDGs, results orientation was integrated to respond to aid fatigue (e.g. “how many dollars to prevent one maternal death”), to create a sound basis for the renewed partnership and to hold governments accountable for their policy impact rather than imposing conditionality. It was also concerned with donors’ incentives for aid allocation, since flag-planting, disbursement pressure and an “approval culture” were identified as mayor obstacles to aid effectiveness (World Bank 1998). MDG-related results

were to be included in national development strategies and PRSPs, fed by a broad-based national dialogue. Again, the increasing use of PBA was crucial for pushing the agenda forward, since showing results is a key argument for aid modalities, such as budget support, which are sometimes regarded as excessively risky by donors' domestic constituencies. Having gained momentum in the Marrakech Memorandum, managing for results was further systematised and operationalised (for example regarding capacity building and data generation). Today, challenges remain. Many donors had been reluctant to shift from the project level to the national level when measuring their impact, just as national statistical and M&E systems for data collection and information are usually extremely weak.

"Mutual accountability" had been discussed since the mid-1990s as essential for the "partnership dimension" of aid. As opposed to donor-driven agendas and deep conditionalities, the accountability framework created bidirectional links that added donors' accountability towards recipient countries to the conventional accountability flowing from recipients to donors. Inspired by the desire to overcome the conventional asymmetries between developing countries and donors, it calls for changes in donors' performance and the consequent criteria-based classification of donors, in parallel with the reform progress encouraged and assessed on the recipient side. Several proposals arose in the context of the CDF evaluation (World Bank 2003a), for example regarding aid contracts with joint institutions (Maxwell & Conway 2000) or a development partnership index measuring and enforcing both sides' behaviour (World Bank 2003b). However, the PD did not include this ambitious perspective and centred its attention on mutual assessment reviews at the country-level, a mechanism which is currently leading to rather unclear changes. Reflecting the remaining challenges in constructing more equal relationships, mutual accountability still does not include an independent donor ranking and lacks contractual elements. Meanwhile, developing countries as well as civil society organisations are

highly concerned over the donor-dominated monitoring process of PD implementation (ECOSOC 2008b).

In terms of norm-setting and policy development in the decades preceding the Paris Declaration, a number of issues stand out:

- (1) There has been a **constant institutional investment in knowledge and concepts** of aid effectiveness as a response to the failures of SAPs. Main players at the effectiveness level were the World Bank and the DAC of the OECD, while the UN system deepened the reform of the development understanding, which was finally gathered together in the MDGs;
- (2) "**Development**" as a concept is still contested and arguments shift between crude neoclassic understandings (such as income-per-capita measures), on the one hand, and the capability approach and poverty reduction, which include non-monetary dimensions and have been reflected at least partly in the MDGs. While potentially competing visions on development, the linkages between growth and poverty reduction are still unexplored, even though both remain constant references for all relevant policy documents dealing with aid effectiveness;
- (3) Development doctrines and aid regimes come and go, while **developing countries' capacity to define and influence aid policies had been very limited**. In the face of an institutional set-up that clearly favours donor countries as key agenda-setters, developing countries remain in a weak position to renegotiate the aid architecture.
- (4) The PD led to a "**technocratisation**" of the aid **architecture**, even if its doctrinal precedents, especially the CDF, still paid attention to the political dimensions of aid relationships. This is especially relevant with respect to ownership and mutual accountability as the main reflections of the still-persistent asymmetries between developing countries and donors.

## From Paris to Accra: from effectiveness to mutual accountability

One could say that the spirit of the PD is one of more equal aid relationships and a large technical agenda focussing on five principles, 51 commitments and 12 indicators. This curious mixture between declared technical determination and political, yet non-contractual, obligations might be the reason for the dynamic that has unfolded as a result of the PD (ECOSOC 2008b). Hence, it has become the only show in town for many aid agencies, donor ministries and recipient countries' aid coordination offices and finance ministries, along with domestic civil society in recipient countries. It allows actors both to project their claims on the politics of the aid relationship, as well as to enter into debates about neatly defined technical indicators.

Since 2005 some elements have received increasing attention:

The PD has become hegemonic at headquarters level in terms of declaration of intent. However **limited progress** had been made in implementing the principles. 2008 monitoring will deliver rather disappointing results against the 2005 baseline (OECD/DAC 2006), although donors have marshalled great efforts to reinterpret the indicators at country level to their likings. Critics point out that donor reporting against the indicators is driven by political correctness, rather than by a genuine commitment to advance aid effectiveness and to implement deeper changes on the donor side (Booth 2008).

**Mutual accountability, its measurement and incentives:** "Accountability" becomes more and more the key term in the aid architecture (Meyer 2008). However, lacking a political perspective, its actual progress is still weak in terms of mutual assessment. There is also conceptual confusion, since the horizontal

accountability links between partner governments and donors are mixed with accountability flows at the domestic level, which could be better integrated into a more ambitious definition of ownership (for example, in terms of democratic quality, see below). In general, more clarity could be expected when using the picture of the "aid chain", which stretches from Northern tax payers to Southern beneficiaries/citizens, with all the intermediaries of ministries, agencies, implementing partners etc. in between (Meyer/Schulz 2007). In fact, rather than mutual accountability, multiple accountability would be a better term.

**Fragile states:** In the early 1990s the consensus evolved that aid works well among "good performers", but since then – and especially after 9/11 – questions over what to do with the "bad performers" have arisen (OECD/DAC 2007a). In post-conflict situations in particular, fragile states require a cautious and long-term approach in order to build the state. Substantial ownership appears to be particularly difficult to achieve in these environments, with a higher risk of conflict in a fragmented society. Harmonisation is often seen as the best entry point, improving aid delivery and decreasing transaction costs. However, a longer-term investment in ownership still needs to be deployed and a more flexible adaptation of the Paris agenda to fragile states could help understanding of the preconditions for aid effectiveness in these specific political and institutional contexts. Furthermore, PD implementation in fragile states must be complemented with the ten Principles for Good International Engagement in Fragile States and Situations, approved by the DAC in 2007 (OECD/DAC 2007b). At any rate, the nexus between security and development (Youngs 2007), a highly political issue, might clash with the bureaucratic PD agenda.

**Democratic ownership and inclusive ownership:** On the basis of implementation experiences, "ownership with adjectives" (Meyer/Schulz 2008) has entered the stage. While concern over the often unsatisfactory participation of civil society organisations in the design of national development strategies is commonplace, the inclusion of parliaments, sub-national levels of

government and supreme audit institutions is still a pending task. Again, the political dimensions of the Paris agenda are to be addressed in a more straightforward way.

In the preparation of the Accra roundtable on “ownership” there are two competing conceptions. One understanding of “inclusive ownership” argues that non-governmental organizations should align their actions with government planning, thereby stressing their role as service providers. Civil society groups in particular have pushed forwards to a more democratic understanding of “ownership” as political diversity, participatory democratic practice, citizen involvement (O’Neil et al 2007) and social accountability in services (Houtzager et al 2008). The role of parliaments, often under great pressure to endorse donor-driven reforms, has ample potential to be enhanced, when its representative function is taken seriously. At the same time sub-national entities of government, largely overseen in Paris, have gained recognition. Most donors see this as being relevant, particularly within the ongoing decentralisation processes in developing countries, and Spain’s decentralised cooperation has jumped eagerly on board. Overall, sufficient policy space is required in order to ensure both democratic and inclusive ownership, which is still limited by tied aid and complex conditionalities (EURODAD 2008a).

**Conditionality:** Despite demands from developing countries, the issue of conditionalities was banned from the PD in 2005. This issue has returned with force since then. There is consistent pressure from Southern governments and international civil society to reduce or abolish conditionality, especially in the realm of economic policies (Rocha Moncal & Rogerson 2006). However, the reasons are various. Whilst some governments do not want to suffer interference on grounds of national sovereignty, civil society rejects the imposition of specific – mostly dubbed “neoliberal” – growth models. Other criticisms include the severe restriction of domestic policy space (Reality of Aid 2007) and its impact on government responsiveness towards the citizenship (EURODAD 2008a). From an

effectiveness perspective the sheer number of conditionalities, the lack of coordination between donors and the opacity of aid negotiations are worrisome (Action Aid 2007).

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## Beyond Accra: from mutual accountability to global governance of aid

In the run-up to Accra, a series of evaluations and position papers have been produced and a wide range of actors have tried to get their issues on the agenda. In July 2008, the DAC published the long-awaited report of the first phase of the Evaluation of the Paris Declaration (OECD/DAC 2008b). On the basis of eight country level and 11 headquarter studies, the overview report highlights the political character of PD implementation and insists on investing further in the “enabling conditions” (commitment, capacities and incentives on both sides) for aid effectiveness. For its part, the International Civil Society Steering Group (2008) has insisted on measures that could be summarised as democratisation, within a more consistent commitment to poverty reduction, gender equality, human rights, social justice & the environment, the international and national governance of aid, and improved mechanisms of independent monitoring and accountability.

In Accra, in Doha and in the coming years, a number of issues will rise to the top of the agenda:

**Policy capacity and policy space:** Developing countries have largely followed policies prescribed by donors or multilateral agencies without having the capacity to look for a “local fit” to their respective institutional trajectories (IDS 2005) and social configurations (Kelsall 2008). Only at a second level of implementation, in some sort of “subversive ownership”, did Southern actors reinterpret the

prescriptions coming from outside. Now, increasing attention is given to both the capacity and space to formulate one's own policies. In terms of capacity, these are issues like country-led capacity development plans, South-South technical assistance, and research funding for independent Southern institutes. In terms of policy space, the AAA entails a commitment to revise conditionalities. Conditionality, that often meticulously prescribes the path governments have to take, will be a frequently visited battlefield in the coming years.

**From policy conditions to performance rewards:**

After the PD, the World Bank, the main agent to impose conditionalities, launched a conditionality review (World Bank 2007), which was appraised by civil society as uncritical (EURODAD 2007). Many of the topics, such as the quantity of conditions, interference in macro-economic policies and transparency, were taken up in the first draft of the AAA. The final draft lacks a timeline for assessment and chooses a far softer language in committing donors to reduce conditionality. The European Commission response to the conditionality debate is "outcome-based conditionality" (EURODAD 2008b) which safeguards the countries own policy decisions and rewards results rather than imposing adherence to certain policies.

**Untying aid:** The effectiveness of aid could increase significantly if donors did not oblige recipient countries to procure goods and services from the donor. An agreement has been reached that aid is to be untied in least developed countries. This does not apply to food aid (OECD/DAC 2005) and technical assistance (Action Aid 2006) – two very significant exceptions. Furthermore, middle income countries are completely excluded from these commitments. Another dimension of the "untying debate" is the degree to which local enterprises and service providers should be given preference in procurement procedures. So far they have been excluded, by excessive administrative obstacles, from competing for international tenders. Whilst the World Bank argues for internationally open tendering, other donors, such as the EU, try to give

preference to local suppliers. This promises to be another future fault line.

**Predictability:** As a key issue for effective public financial management, especially in aid-dependent countries, predictability of aid flows needs to be further improved. Thus far, the corresponding PD indicator centres its attention on in-year predictability, while experts and CSOs call for medium-term predictability (three to five years) which should feed into the implementation of national development strategies and its MTEF (ECOSOC 2008b). Future progress in multi-year predictability depends on a wide range of factors, which, in the absence of a contractual framework for aid, are essentially political (such as electoral cycles in both partner countries and donors, management of political controversies in aid relationships, mutual trust, etc.), where good practices (OECD/DAC 2007c) still have to be identified in a more substantial manner.

**Division of labour:** The bid for more efficient complementarity and specialisation between donors is embedded in the wider harmonisation agenda. In May 2007, the EU endorsed a groundbreaking Code of Conduct on Division of Labour (Council 2007), which defines several dimensions of complementarity (in-country, cross-country, cross-sector, vertical and cross-modality). Having emerged as a flagship for the European aid system during the German EU presidency, division of labour and its focus on comparative advantages (Schulz 2007a) will form part of the Accra Agenda for Action. Since Germany is co-chairing (with Uganda) the Accra roundtable on harmonisation, division of labour will probably gain prominence as a major benchmark for the aid architecture in the years to come. Several challenges remain. Division of labour implies phasing-out both from sectors and countries, the management of which might have deep implications for the relationship between donors and partner countries. While already perceived by some developing countries as "donor drain" (for example in Nicaragua, see Schulz 2007b), the possible trade-offs between division of labour and the PD agenda, especially regarding ownership and mutual accountability, remain largely unexplored.

**Cross-cutting issues:** There is fierce criticism that the Paris Declaration and particularly its emphasis on programme-based approaches has diverted attention from cross-cutting issues such as gender equality, human rights and the environment. A recent conference organised by DFID and OECD/DAC (2008d) has gathered evidence on how the weight of these issues might be raised within the new consensus. The human rights community has taken two positions. Some try to increase the weight of “cross-cutting issues” within the Paris agenda, others argue that the PD does not provide for meaningful entry points to advance the rights agenda (Bissio 2007).

**Non-traditional donors and South-South cooperation:** The weight of developing countries involved in international cooperation is increasing, most notably in the roles played by China, India, Brazil and South Africa. These donors act with different modalities to traditional DAC donors and are very often welcomed for their particular experiences, particularly regarding technical assistance (ECOSOC 2008c). Some even consider “aid” and “South-South cooperation” as substantially distinct, while triangular cooperation has become an additional coordination mechanism between traditional and non-traditional donors. There are concerns, however, that these actors might contribute to further fragmentation, are not transparent in their actions, nurture unsustainable debt, mingle foreign policy with cooperation and fall behind good practices that have been learnt. The UN Development Cooperation Forum is proposed to fulfil for these donors the norm-setting role that the DAC plays for the OECD donors. Further research is needed on this issue.

**Vertical funds:** These are independent funding mechanisms which are mostly issue-based, such as the Global Fund to fight AIDS, Malaria, and Tuberculosis. They have gained great attractiveness for donors as an easy disbursement mechanism. Particularly in the field of health, there is an increasing awareness that these mechanisms often sideline government systems and impede the development of capacities. Instead of fighting single issues, it is often more recommendable

to build sustainable systems. Vertical funds will have to document their advantages (EURODAD 2008c).

**Beyond MDGs:** The MDGs have been lauded for making poverty reduction highly visible and measurable. However, not all issues are captured. The internationally agreed development targets include topics beyond the MDGs like decent work, inequalities and women’s rights that cannot be displayed on the MDG screen. Furthermore, more substantial issues like democratic participation, rights, social justice, dignity and others are beyond the reach of quantifiable targets but not less important to citizens. Ultimately, an ongoing criticism of the MDGs is that they might not effectively address the deep-rooted problems of social inequality.

**Independent monitoring of mutual accountability:** In general, accountability between donors and recipient governments has two levels: country and international. Two recent studies - the OPM study on the international level (OECD/DAC 2008e) and ODI study at national level (DFID 2005) – might structure the future debate. The most likely progress at national level will be made by certain countries that take the lead, such as Mozambique, Afghanistan, or Tanzania, thereby setting examples for their neighbours. At international level there have been calls for independent monitoring mechanisms of aid commitments, many of which proposed the UN Development Cooperation Forum as an institutional host (ActionAid 2007). This organ has now been included in the final draft of the AAA, although in a non-binding manner. It is also important to highlight the still unsatisfactory governance of the PD monitoring process, which is still too donor-dominated and thus falls very short in fostering mutual accountability. On the other hand, there have been efforts on the part of the UN Human Rights Commissioner, working on the Implementation of the Right to Development, to assess mutual accountability mechanisms. It is important to note that besides the aid relation, there are more comprehensive dialogue platforms for the relation between European and Southern countries, such as the Cotonou Agreement and the Euro-Africa Strategy.

**Beyond aid and back to policy coherence:** Issues of trade, international finance, policy coherence for development, and others have far more impact on the wellbeing of the poor than aid flows and their operationalisation. Given that the PD does not attend to coherence and development finance issues, its actual impact on the effective and sustainable improvement of people's lives in developing countries might be difficult to appreciate. In times of climate change, food crisis, security challenges and migratory pressure, it is important to place attention on "beyond-aid issues" – both technically and politically. However, the focus of the HLF in Accra should be not to overload the agenda or limit the debate to aid and governance issues. The Doha conference will provide the space for debate about some of the larger issues.

Overall, the genesis of the Accra Agenda for Action, the final resolution of the Accra meeting, shows a successive watering down from the first consultative draft in March 2008 to the final version that has been circulating since August. Minimal consensus has forced out some progressive commitments detailed in the first draft, namely the removal of all timeframes for delivery of a time-bound phase-out plan for excessive conditionality, independent monitoring of mutual accountability and stronger language on democratic ownership. European donors seem to be more progressive when letting go of control and being more predictable, rule-bound and transparent (Council 2008). All in all, Accra seems to attach more commitments to recipient countries than to donors. However, the unprecedented consultation process has drawn attention to the politics of aid beyond restricted technical circles and any future renegotiation of the "partnership dimension" has to count with both more public awareness and increasing technical capacities of recipient governments.

## Prospects: maintaining the momentum

Building on a decade of rethinking on the aid architecture, the Paris Declaration in 2005 broke new ground for achieving greater aid effectiveness on the basis of shared principles and measurable, time-bound indicators. Learning among stakeholders in the international aid systems has continued over the last three years and previous to the HLF in Accra. New lessons have emerged from implementation experiences, consultations and research. Over the past weeks and months, it has become clear that the aid effectiveness agenda is increasingly complex and exceeds the rather technocratic coverage offered by the PD. Several issues have been described in the preceding pages, which share a common denominator: Politics are paramount to aid.

While the narrow bureaucratic approach of the PD might have helped to push the aid effectiveness agenda forwards in 2005, perpetuating disregard of the political nature of aid relationships could lead to what the recent evaluation of the Paris Declaration calls "aid effectiveness fatigue". Thus, the meetings and discussions in Accra should be inspired in a more politically sensitive understanding of the aid architecture. One essential strategy for success would be to reinforce and to take the partnership dimension seriously as the most essential basis for global governance of aid.

Both governments and civil society from developing countries should have more space to influence the revision of the aid effectiveness agenda and see their positions and perspectives reflected in the post-Accra implementation of the Paris Declaration. Deeper changes in how partner countries and donors relate to each other, on one hand, and with non-official actors, on the other, are necessary. These should be grounded in greater openness to ongoing learning, changing incentives and a shifting political economy, which needs to be integrated more appropriately in the evolving global governance of aid.

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