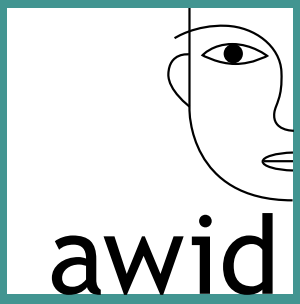
Aid Effectiveness and Women's Rights Series



Civil Society's Engagement in the Aid Effectiveness Agenda: The Parallel Process, Key Concerns and Recommendations

Primer No.3

Association for Women's Rights in Development

Introduction: Understanding the Aid Effectiveness Agenda from a Civil Society and Women's Rights Perspective

In 2005 civil society organizations bore witness to the signing of the **Paris Declaration on Aid Effectiveness** (PD)—history's most recent agreement by donor and recipient countries to reform the delivery and management of aid monies in order to strengthen its impact and effectiveness. In 2005, more than 106.8 billion USD flowed in the form of Official Development Assistance (ODA) from bilateral and multilateral funding agencies to developing country governments.[1] In fifty years of aid allocation, the beneficiaries of these public monies have rarely been women who are receiving a very tiny proportion of overall ODA.[2] Aid as a structuring device, process and resource has had debatable effectiveness in reducing poverty, promoting development and supporting women's rights.

The Paris Declaration was adopted in March 2005 at a High-Level Forum (HLF2) organized by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD).[3] The PD is now being adhered to by approximately 25 donor countries, 80 reci-pient countries and around 25 multilateral institutions.

In September 2008 donor countries and recipient countries will meet for a **High Level Forum (HLF3) in Accra, Ghana** to assess progress in the implementation of the PD, and to agree a new 'agenda for action'. This will be the first opportunity for donor and recipient countries, and civil society organizations, to review the progress on the implementation of the PD.

In spite of the fact that the PD commits donor countries to a common set of principles and targets to achieve aid effectiveness, CSOs are calling for a number of reforms and deepening of the aid effectiveness based on a number of general concerns including:

- The new **aid architecture needs to be more comprehensive** of all development stakeholders—particularly CSOs, including women's organizations and movements.
- **Too much focus on aid modalities:** The emphasis is too centered on the "plumbing" or mechanisms of the aid delivery system, not enough on reducing poverty and inequality as expressed in the Millennium Development Goals. Evaluating aid's effectiveness needs to be integrally linked to support for human rights, democratic governance, environmental sustainability and gender equality.
- **More clarity on the implementation of the PD principles:** An in-depth discussion of the meaning and impacts of the PD principles needs to take place, including the inputs of the CSOs particularly about the principles of ownership, alignment and accountability.
- **Limits in monitoring commitments:** Monitoring of the PD commitments in the lead up to Ghana must be fully transparent and inclusive of civil society and women's rights organisations.

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1 Kerr, Joanna (AWID). Second Fund*her* Report, "Financial Sustainability for Women's "movements Worldwide," p. 48, 2007.

2 Although ODA was most frequently mentioned by a total of 35% of AWID's "Where is the Money for Women's Rights" Survey respondents, it is clear that funds for gender equality represent a very tiny proportion of overall ODA. See page 48 of AWID's **2007 Second Fund*her* Report**, *Financial Sustainability for Women's Movement's Worldwide available for download at* http://www.awid.org/go.php?pg=fundher_2

3 The OECD is an organization that groups 30 countries or key donors committed to help its member countries "to achieve sustainable economic growth and employment and to raise the standard of living in member countries while maintaining financial stability...in order to contribute to the development of the world economy." http://www.oecd.org/pages/0,3417,en_36734052_36761863_1_1_1_1_1,00.html

While the previous primer No.2 on *Understanding Aid Effectiveness* provided an overview of the official mechanisms and bodies that are tracking the implementation of the *Paris Declaration*, this third primer in the series focuses on describing how the parallel tracking process is being undertaken independently by CSOs and, most recently, some women's rights organizations. This primer seeks first to provide a background and overview of this parallel process, then identifies some pressing concerns, and lastly presents some recommendations from the civil society perspective.

1. CIVIL SOCIETY ENGAGEMENT IN THE AID EFFECTIVENESS AGENDA

The rise of CSOs around the Paris Declaration

CSOs of all shapes and sizes have been calling for reforms to the tracking, delivering, and management of aid for quite some time and have become much more vocal about some of the CS concerns since the signing of the Paris Declaration in 2005. The type of aid effectiveness agenda that has emerged as a result of the signing of the PD is one that is supposed to increase collaboration and partnership between donor and recipient country, and commitment to improving the efficiency and effectiveness of aid delivery. While these aspects have been welcomed by civil society, it is crucial to note that many CSOs have not endorsed or supported the PD in its current shape, and are pushing for significant reform to be made to the agreement.

As Brian Tomlinson from CCIC (Canadian Council for International Cooperation) concludes in a background paper:

The Paris Declaration is an important initiative to reform aid practices, which if implemented will contribute to more effective aid delivery. However, reform will be incomplete and limited in its impact on poverty if the crucial roles of civil society actors in development processes are ignored.[4]

The birth of an unofficial parallel civil society process:

In Primer No.2 of this Series on *Understanding Aid Effectiveness* we described the function and role of the official CSOs space for contributing to the aid effectiveness process on the road to Ghana —the OECD DAC Advisory Group on CSOs and Aid effectiveness (AG). It is important to note here that while 14 CSOs were present during the signing of the Paris Declaration, membership to the Advisory Group is exclusive and closed to participation from other organisations and only 3 CSOs from the North and 3 CSOs from the South are part of this instance.

4 "The Paris Declaration on Aid effectiveness donor commitments and civil society critique: Summary of a CCIC Backgrounder, May 2006." See http://www.ccic.ca/e/docs/002_aid_2006-05_paris_declaration_summary.pdf

Many CSOs see the closed membership of the AG as a reflection of both the **power dynamics** expressed in the OECD DAC as well as some of the very **problems inherent within the PD's** narrow agenda for reform. In particular, CSOs are worried that PD has an exaggerated focus on state to state relationships, and has ignored the critical role that citizens, movements, and organizations have played in affecting social, political and economic change for people living in poverty around the world, as well as struggling for women's rights, environmental sustainability and sustainable development.

In the face of these concerns, a group of CSOs came together and initiated an unofficial parallel process open to all organizations, and aimed at feeding knowledge and strategies into the AG, the HLF3 Steering Committee, and thus effectively influencing the Accra Agenda for Action (AAA) and the overall AE process in the longer run.

2. ABOUT THE INTERNATIONAL CIVIL SOCIETY STEERING GROUP (PARALLEL PROCESS)

The **International Civil Society Steering Group** started out as a Facilitating Group of CSOs, established at a workshop held in January at the 2007 World Social Forum in Nairobi. Further discussions took place in March, when CSOs came together in Paris to prepare for a dialogue with the Working Party on Aid Effectiveness at the DAC, and finally, the facilitating group made its final transformation into what is now called the International Civil Society Steering Group (SG).

Composition of the Steering Group

Members of the Steering Group include IBIS, SEND (Social Enterprise Development Foundation-Ghana), Social Watch, Reality of Aid (IBON), Eurodad (European Network on Debt and Development), AFRODAD (African Forum and Network on Debt and Development), Third World Network, Action Aid International, ANND (Arab NGO Network for Development), Oxfam, AWID (Association for Women's Rights in Development), WIDE (Women in Development – Europe) and CCIC (Canadian Council for International Cooperation).

The Steering Group is supposed to be an open group that supports the local organizers of the Parallel process in Ghana. However, it is important to note that currently there are gaps in its composition: key actors including human rights organizations, youth organizations, and environmentalists are notably missing. Women's groups came to the process when AWID and WIDE expressed their interest in formally participating in the group.

Goals of the Steering Group

The main goals of the CSOs' Steering Group are to influence the outcomes of the official HLF3 process and meeting in Accra, and also to improve the overall accountability of the aid regime to citizens in both developing and developed countries. The SG also works to mobilize civil society groups from all over the world around this agenda.

The mandate of the CSOs' Steering Group is to support the Ghanaian civil society forum on Aid Effectiveness and to work towards the parallel events in Accra intended to accompany the

HLF3. In addition, it has the role of facilitating the meetings between its members and the OECD DAC official bodies like the Advisory Group on Civil Society Organizations and Aid Effectiveness, the Working Party on Aid Effectiveness and the Steering Committee for the HLF3.

The **core principles** agreed by the SG are the following[5]:

• CSOs believe that the PD is fundamentally a political agreement. Aid reinforces existing power relationships between donor countries, governments and citizens – the process of implementing, monitoring and evaluating the PD must recognize this. Donors continue to exert significant power over aid recipients, and impose their priorities and concerns.
• CSOs are particularly concerned about the interests and representation of groups which are often excluded or marginalized, including women and women's movements. Radical change is needed to empower recipients and make aid accountable to poor and vulnerable people, and effective at meeting their needs.
• CSOs argue that the only true measures of aid's effectiveness are its contribution to the sustained reduction of poverty and inequality, and its support of human rights, democracy, environmental sustainability and gender equality.
• CSOs are promoting a deepening of the aid effectiveness agenda, so that it addresses not just the concerns of the donors and partner governments, but of all stakeholders in the development process.
• Country ownership of development programmes should be understood not simply as government ownership, but as democratic ownership. Democratic ownership means involving citizens, including women's organizations, in the formulation and delivery of policy and programmes. It also means establishing legitimate governance mechanisms for decision making and accountability, including parliaments and elected representatives.

What does meaningful participation for women's rights organizations in this process mean?

- Clear mechanisms of consultation and contribution to the process are established
- Resources are allocated to ensure diverse and inclusive participation with capacity to influence the process
- A clear mechanism of accountability that shows how contributions made by women's organizations are being taken up, or not, in the process
- Clear definitions of the continued participation of women's advocates in other stages of the process, focusing on the watchdog role, but also other meaningful roles, such as contributing with their own data, analysis and indicators for the monitoring and evaluation, as well as effective development practice at the local level.
- Ensuring that women's rights organizations and CSOs continue to have independent access to resources to enable them to play their role effectively.

5 The Policy Paper, "From Paris 2005 to Accra 2008: Will Aid Be come more Accountable and Effective?", is available for download in English, French and Spanish at http://www.betteraid.org/downloads/draft_cso_policy_paper.pdf

3. KEY CONCERNS FROM A CIVIL SOCIETY PERSPECTIVE

Many CSOs have been advocating for a broader and more comprehensive understanding of aid as a resource for ending poverty that is *political* by nature and not simply technical. Approximately 15 civil society organizations during the High Level Forum 2 on Aid Effectiveness in Paris submitted a document critiquing the draft PD: "In the view of civil society, the current draft of the *Paris Declaration on Aid Effectiveness* **fails to go far enough** in tackling the fundamental obstacles that prevent aid from reaching those people who need it most."[6]

Some CSOs have been raising concerns around the PD itself, the consequences of its implementation, and in general about the participation of civil society in the whole HLF3 process. Some more specific concerns that fall are identified in the sections below:

The Paris Declaration is narrowly structured on aid delivery alone

One major criticism is that the PD agenda is structured narrowly and exclusively on issues of aid delivery, and fails to view the delivery of aid as embedded within a human rights framework that should promote sustainable development, gender equality, environmental sustainability and human rights in general.

The Paris Declaration agenda fails to address issues of conditionalities imposed by donors

Many CSOs are also critical of the current AE agenda because in practice there is little recourse for addressing the issues of aid conditionalities imposed by donors and it is not committed to fully untying aid[7]. Donor country policy prescriptions continue to be attached as conditions for both debt cancellation and aid, and yet the PD contains no targets or indicators to reduce this conditionality. CSOs are concerned that conditions are becoming broader and deeper, and in ways that promote economic policies which are not in the interests of the poor but rather serve the donor countries.

Limited Civil Society participation in the decision making processes

Another important concern relates to the limited CSOs' participation in the decision making processes, from implementation to monitoring and evaluation. As discussed in a section above on "meaningful participation for women's rights organizations" the sole official space for civil society participation is the Advisory Group on CSOs and Aid Effectiveness whose membership consists of three CSOs from the North and three from the South alone. Clearly this framework for participation is inadequate.

4. RECOMMENDATIONS FROM THE INTERNATIONAL CIVIL SOCIETY STEERING GROUP

The CSOs' International Steering Group has given a wide range of organizations the opportunity to discuss concerns and recommendations about the aid effectiveness agenda. In anticipation of the upcoming official Advisory Group-organized regional and national consultations taking place in the final quarter of 2007, the CSOs Steering Group recently prepared a working draft policy paper entitled "From

6 See Reality of Aid: http://www.realityofaid.org/rchecknews.php?table=rc_jan07&id=3

7 Tying aid is a practice that establishes that aid funds are used to purchase goods and services from providers based in the donor country or in a predefined limited group of countries. This practice has been very common among bilateral donors but in 2002 the OECD put forward a recommendation to for untying aid to the Least Developed Countries. To read more about this please refer to: http://www.oecd.org/document/7/0,3343,en_2649_18108886_2731463_1_1_1_1,00.html

Paris 2005 to Accra 2008: Will Aid become more accountable and effective? A critical approach to the Aid Effectiveness Agenda."[8]

Up for discussion at the consultations, this policy paper will provide the basis for a civil society position paper for the HLF3, for use in the lead up to Accra as an advocacy tool with donor and recipient governments. The following recommendations are taken directly from the SG developed concept paper and reflect the perspectives of a crosscutting range of CSOs including women's rights organizations.

15 RECOMMENDATIONS FOR MAKING AID MORE EFFECTIVE AND MORE ACCOUNTABLE

RECOMMENDATION 1:
Recognize the centrality of poverty reduction, equality and human rights to aid effectiveness

The Accra HLF must ensure that the aid effectiveness agenda in no way undermines the objectives of reducing poverty, promoting equality and guaranteeing human rights. The Accra Agenda of Action (AAA) must commit to a work plan for 2010 that would elaborate indicators and an inclusive process of assessment of new aid modalities in terms of their actual impact on the achievement of progress in poverty reduction, equality and human rights.

RECOMMENDATION 2:
End all donor-imposed policy conditionalities

The AAA should include a commitment to end all donor country-imposed policy conditions, and a recognition that such conditions undermine democratic ownership. The AAA should set out a work plan to achieve ambitious targets aimed at simplifying and reducing the overall number of conditions (including triggers, benchmarks etc) attached to the programme-based approaches promoted by the Paris Declaration.

RECOMMENDATION 3:
Donor and recipient governments must adhere to the highest standards of openness and transparency

Donors must commit in the AAA to the highest standards of openness and transparency. These should include: timely dissemination of information, particularly during aid negotiations and information about disbursements, and the adoption of a policy of automatic disclosure of all documents, with a strictly limited regime of exceptions.

Recipient governments must work with elected representatives and citizens' organisations to set out open and transparent policies on how aid is to be sourced, spent, monitored and accounted for. This requires that government ministers and officials be accountable to their citizens, with effective mechanisms of answerability and enforceability, based on improved transparency of information about government policies and programmes.

8 The Policy Paper, "From Paris 2005 to Accra 2008: Will Aid Be come more Accountable and Effective", is available for download in English, French and Spanish at http://www.betteraid.org/downloads/draft_cso_policy_paper.pdf

RECOMMENDATION 4:
The AAA must recognize CSOs as development actors in their own right and acknowledge the conditions that enable them to play effective roles in development

Donor and recipient governments should support the conditions which are necessary to enable CSOs in the South to fulfil their roles in the development process. CSOs need legal frameworks which provide for freedom of association, the right to organise and a free and open media. CSOs also need predictable long-term funding – donors should explore new modalities of support to provide this.

RECOMMENDATION 5:
Create an effective and relevant independent monitoring and evaluation system for the Paris Declaration and its impact on development outcomes

The AAA should create a system of independent monitoring and evaluation of the PD at international, national and local levels. At the international level, new independent institutions will be needed to play this role, in order to hold donor countries to account for their overall performance. At the national and local levels monitoring and evaluation should involve a range of stakeholders - CSOs could play a key role.

Monitoring and evaluation should also take much more account of the links between reforms in aid modalities and development outcomes and progress towards human rights. The AAA should initiate work to further explore these links. The AAA should also set out a working plan to develop a more comprehensive and participatory process, led by developing country partners, including Southern CSOs, for determining more appropriate indicators and measurements of aid effectiveness. The 2010 review of the Paris Declaration commitments should be expanded to include the outcomes of this comprehensive assessment.

RECOMMENDATION 6:
Introduce mutually agreed, transparent and binding contracts to govern aid relationships

Aid terms must be fairly and transparently negotiated with participation and accountability to people living in poverty. Donor and recipient governments should agree to base future aid relationships on transparent and binding agreements including clear commitments by donor countries on aid volumes and quality, with sanctions against those that fail to meet their commitments. These agreements should be independently monitored, as outlined above.

RECOMMENDATION 7:
Create new multi-stakeholder mechanisms for holding governments and donors to account

Multi-stakeholder mechanisms for holding governments and donors to account for the use of aid should be developed – these should be the real test of whether commitments to 'mutual accountability' and (indicator 12) are being met. They should be open, transparent and regular, with real room for citizens of southern countries to hold their governments and donor countries to account.

RECOMMENDATION 8:
Establish an equitable multilateral governance system for ODA in which to negotiate future agreements on the reform of aid

The aid reform process should be dealt with in a broader multilateral institution with clear and transparent negotiating mechanisms, equitable representation of donors and recipients, and openness to civil society.

RECOMMENDATION 9:
Donor countries must be held to account for commitments they have already made under the PD

Targets for individual donors should be set for 2010 to ensure that they meet the commitments they made in the PD. Donor countries must re-affirm their willingness to change the way they do business to meet basic standards of aid quality.

RECOMMENDATION 10:
Commit to giving aid for poverty reduction and the promotion of human rights

Donor countries must commit to give aid only to reduce poverty and inequality and to promote human rights. They must end the practice of using aid for their own foreign and economic policy interests and priorities.

RECOMMENDATION 11:
Expand commitment on untying aid

At Accra, donor countries should commit to expanding the agreement on untying aid to all countries, and all aid modalities (including food aid and technical assistance) and set up independently monitored targets for translating this commitment into practice.

RECOMMENDATION 12:
Reform technical assistance to respond to national priorities and build capacity

Targets on improving technical assistance should be strengthened; including making sure that 100% of technical assistance is demand-driven and aligned to national strategies.

The right of recipient countries to contract according to their needs should be respected and more effective South-South forms of technical assistance should also be developed.

RECOMMENDATION 13:
Improve aid allocation to respond to needs

At Accra, governments should agree to develop an effective and transparent international mechanism to improve aid allocation so it goes to those most in need.

RECOMMENDATION 14:
New targets to improve multi-year predictability of aid

Donor countries should agree on new targets in Accra to make multi-year, predictable and guaranteed aid commitments based on clear and transparent criteria.

RECOMMENDATION 15:
Ensure meaningful participation by CSOs in the Accra HLF

CSOs should be included in all the segments of the Accra HLF. CSOs perspectives must be part of the official discussions including the Ministerial event and the drafting of the Accra Agenda for Action.

The agenda for the HLF must reflect the concerns of groups, which are often excluded from these processes. In particular, meaningful participation of women's organizations in the whole HLF process, including through a roundtable on gender equality and aid effectiveness, is key to ensuring the voices, concerns and proposals of women are taken into account.

A transparent, open and properly resourced consultation process should be organized in the run up to Accra, including:

-the release of key papers early and in draft form with a civil society observer invited to all key meetings;
-clear mechanisms for participation at all levels, with enough resources allocated to ensure broad representation of diverse CSOs (including commonly excluded groups, such as women, peasants, migrants, refugees, indigenous people, youth and children).

Clear parameters and accountability on how recommendations and proposals presented by CSOs will be seriously considered in the process should be decided in conjunction with CSOs.

These recommendations are an instrument for pushing towards a more effective aid system that promotes sustainable development that is inclusive of the perspectives of a wide range of stakeholders. The engagement of diverse CSOs and particularly women's rights organizations is therefore critical to ensuring that their concerns are taken into account. Finally, CSOs and women's rights organizations can play a watchdog role in an effort to hold donors and recipient countries accountable to their commitments to reduce poverty and gender inequality.

TIPS FOR FOLLOWING THE AE DISCUSSION!

How CSOs and women's rights advocates can stay engaged in the process:

- Create mechanisms to ensure effective **sharing of knowledge and information** amongst women's networks and other NGO actors about the Aid Effectiveness agenda, e.g. through www.betteraid.org or instruments such as that.
- Develop and disseminate **easily accessible information** to help demystify the OECD/DAC Aid Effectiveness process and help raise awareness amongst CSOs and women's organizations. AWID is publishing a series of primers that are available on our website (www.awid.org).
- Provide **support to Ghanaian NGOs** as they develop strategies and activities towards the HLF3 in Accra next year.
- Build on **ongoing research** on financing for gender equality and aid effectiveness and the impact of the new aid modalities on development.
- **Build alliances** with other trade, environment and human rights movements, supporting each others' benchmark statements and engaging in potential regional debates amongst ourselves.

Why Should Women's Rights Activists Care about the AE Agenda? What is at Stake for Women?

• **The Paris Declaration is genderblind!** Within this historic document, no measures to promote women's rights, gender equality or human rights standards are proposed or acknowledged through impact assessments or any other measures.

• **Women's rights and gender equality are often not reflected in national development plans!** The new aid architecture is designed to align aid to nationally-determined development priorities, and therefore, it is very important to integrate the women's rights and gender equality perspective in participatory processes for defining and monitoring national development plans. Democratic ownership will only be possible if all the actors are integrated in the national strategic definitions.

• **Government actions alone will not reduce poverty – adversely affecting women!** The PD's aid effectiveness agenda focuses on institutional reforms in government for a more effective and efficient aid system, instead of on conditions for effective and sustainable development and for democratizing the international cooperation processes.

• **Preserve the strategic roles that CSOs play for women!** Civil society and women's rights organizations have little space to influence the PD implementation process. Their contributions and roles as key development actors is essential for creating a climate of social, political, and economic change and reducing poverty and gender inequality.

• **The PD is another effort to agree on international targets and indicators (as the MDGs) for aid effectiveness.** The PD agenda was defined by donors (at the OECD) and the AE process is being monitored by indicators developed by the World Bank. Where are the voices and contributions of women's organizations and other CSOs in this context? Why should international development priorities be agreed at the OECD instead of at a multilateral/multistakeholders' forum as the UN?

• **There is a High Level Forum (HLF3) to evaluate the PD implementation taking place in Accra, Ghana, in September 2008.** Women's organizations and CSOs in general should push to influence the agenda of this official Forum, so that key issues concerning civil society, women's rights, and gender equality are taken into account in the discussions and the final statement.

• **There is a CSOs parallel process to the HLF3.** A CSOs forum is set take place right before the HLF3 and women's organizations have need to be present in this critical space to contribute to an alternative vision of development from a civil society perspective.

If women's rights advocates don't push for gender equality and women's rights to be understood as development priorities, nobody will. It is necessary to ensure women's voices, proposals and participation are infused throughout the whole process.

ACRONYMS	
AE	Aid Effectiveness
AG	Advisory Group on Civil Society Organizations and Aid Effectiveness
CS	Civil Society
CSO	Civil Society Organization
DAC	Development Assistance Committee
IFIs	International Financial Institutions
MDGs	Millennium Development Goals
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PBA	Program-Based Approach
PRSP	Poverty Reduction Strategy Paper
SWAp	Sector-Wide Approach

About this Series "Aid effectiveness and women's rights"

The purpose for creating this set of Primers, *Understanding the Aid Effectiveness Agenda* is to share critical information and analysis with women's rights advocates about the new aid architecture that has emerged as a result of the *Paris Declaration (PD)*—the most recent donor-recipient countries agreement designed to increase the impact of aid. The Aid effectiveness agenda born out of the PD currently determines how and to whom aid is being delivered as well as how donor and recipient countries relate to one another. Aid distribution is clearly not simply a mechanistic process, but rather a political one. We hope that the facts and issues discussed within these primers will encourage women's rights advocates and CSOs to join in the process of calling for a more comprehensive, balanced, and inclusive approach to reforming aid so that it reaches the people who need it most, including women!

Primer 1: *An Overview of the Paris Declaration on Aid Effectiveness & the New Aid Modalities*
Primer 2: *Official Mechanisms related to the Implementation of the Paris Declaration*
Primer 3: *CSOs Engagement in the Aid Effectiveness Agenda: The Parallel Process, CSOs concerns and recommendations*
Primer 4: *Monitoring and Evaluation of the Paris Declaration Implementation*
Primer 5: *The Aid Effectiveness Agenda from a Women's Rights Perspective*