

Key Issues/Summary:

- Ireland should recognise that aid effectiveness is part of a broader vision of development effectiveness.
- Civil society's role as an essential development actor, particularly in the field, in the aid agenda must be recognised and strengthened
- A broader definition of ownership is required – i.e. democratic ownership by citizens
- Reform of tied aid, technical assistance and use of economic policy conditionality is required
- The highest standards of transparency and predictability in aid and financial management are required
- An independent, objective and impartial monitoring body is essential to monitor and evaluate the effectiveness of aid
- Investment in Irish Aid capacity and coherence across Irish Government departments is required

Ireland Using its Influence for Positive Change at Accra

A Long Way Still To Go

Trócaire welcomes the Paris Declaration and its intentions. Signed by almost 100 signatories in 2005,¹ the Paris Declaration is a significant step towards defining a common official agenda to improve the quality of aid. Many donors and Southern governments have made a real commitment to improve how the aid system is implemented. Donors and partner governments have laid the foundations for better cooperation through guiding their work by the five principles of the Paris Declaration² and using indicators, timetables and targets to measure donor and developing countries progress in making aid more effective.³

The High Level Forum in Accra, Ghana in September 2008⁴ and the Accra Agenda for Action⁵ represent a real opportunity for donors and partner governments to make further commitments that can be timetabled and monitored to make aid work better for the poor.

As part of its strategic plan for 2006-2016, Trócaire is focussing on “increasing the accountability of institutions and governments towards people living in poverty and

inequality”.⁶ While the Paris Declaration also addresses this goal, although from a very different perspective, Trócaire sees room for improvement in the declarations focus, implementation and monitoring mechanisms. While believing that the principles of the Paris Declaration are good in their own right, Trócaire also feels that the targets of the Paris Declaration are not ambitious enough. Trócaire believes that the Paris Declaration is a process to increase the **efficiency** of the delivery of aid, which will not necessarily of its own accord lead to an increase in the **effectiveness** of aid. Furthermore, the Paris Declaration fails to address and incorporate all of the actors involved and all of the challenges faced, which are essential if aid is to be improved. Trócaire believes that if this declaration is to succeed there has to be space for all actors, including donors, partner governments and civil society, to contribute.

Trócaire believes all actors should consider the Paris Declaration as one step on the journey towards a more just and equitable world, where global promises to eradicate poverty are delivered and the realisation of human rights and justice is a reality.

¹ Including partner governments, bilateral and multilateral donor agencies, regional development banks and international agencies

² See a summary of 5 principles in box on page 2

³ Paris Declaration Indicators and Targets, see <http://www.oecd.org/dataoecd/57/60/36080258.pdf>

⁴ The HLF is the second round of monitoring of the Paris Declaration

⁵ The Accra Agenda for Action is the communiqué that will be signed at the High Level Forum in Accra. This document will set out the roadmap for donors and partner governments between 2008 and 2010

⁶ Trócaire. (2006) Mobilising for Justice, Strategic Plan, 2006-2016

The Paris Declaration includes 5 principles to guide the delivery of aid:

- **Ownership:** donors respect partner country policies and help them to exercise effective leadership over those policies
- **Harmonisation:** donors aim to be more harmonised and less burdensome for partner countries, e.g. establishing joint funding arrangements in country
- **Alignment:** donors base their overall support on partner countries national development strategies, institutions and procedures rather than developing parallel strategies that duplicate efforts and undermine national procedures
- **Managing for Results:** both donors and partner countries manage resources and improve decision making for results. Progress is measured against national development strategies
- **Mutual accountability:** this places the responsibility on both Northern and Southern governments to fulfil their respective commitments in the declaration in order for it to succeed

Trócaire believes that aid can only truly serve development in association with other means of seeking economic and social justice. These include putting human rights at the centre of all interventions (by adopting a rights based approach to development) and the achievement of full policy coherence by Northern governments to ensure related policies do not undermine development efforts. Trade reform and continued progress on resolving sovereign debt problems are some issues which Northern

and Southern governments need to address and which will be discussed at the Financing for Development Conference in Doha in December 2008.⁷ Meanwhile, aid can only be effective if the political and economic systems in the recipient country are focused on ensuring that public resources are used effectively for poverty eradication and that democratic accountability and transparency are increased to enable people to hold their governments to account for the use of those resources.

Trócaire believes effective aid is aid which:

- Has a sustainable and positive impact on people's lives
- Ensures equality and rights for the most marginalized people
- Empowers people and gives a voice to civil society
- Is cost effective, efficient and accountable
- Uses best practice approaches, i.e. is participatory, integrated, programmatic, holistic and supports innovation and diversity

How Ireland Can Contribute to Greater Aid Effectiveness.

Ireland's aid programme is based on the principles of partnership, public ownership and transparency, quality assurance, coherence and long-term sustainability.⁸ With an aid programme internationally recognised as being of high quality, Ireland is well placed to take the lead on issues of aid effectiveness. The European Union, providing half the world's aid,⁹ is also a key actor for setting an example on aid

⁷ The Follow-up international conference on Financing for Development is being held in Doha, Qatar in December 2008, to review the implementation of the Monterrey Consensus, agreed at the International Conference on Financing for Development in Monterrey in 2002. The review conference should address progress made, reaffirm goals and commitments, share best practices and lessons learned. The conference should also identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues. <http://www.un.org/esa/ffd/doha/index.htm>

⁸ Irish Aid (2005) White Paper on Irish Aid, p. 9

⁹ CONCORD Aid Watch (2008) 'Delivering better aid: An opportunity for European Union leadership in the fight against global poverty' www.concordeurope.org

effectiveness internationally, having made additional commitments to increase aid effectiveness above and beyond the commitments in the Paris Declaration.¹⁰

Trócaire would like to see Ireland continuing to make progress against its own commitments in the Paris Declaration, while also, along with other like-minded donors, being a strong advocate at EU level for aid effectiveness commitments going beyond those agreed under the Paris Declaration. With these goals in mind Trócaire has some concrete recommendations for Ireland's role within this agenda.

Civil Society Aid Effectiveness

The Advisory Group on Civil Society & Aid Effectiveness carried out a number of regional multi-stakeholder consultations between August and November 2007. These consultations culminated in a global multi-stakeholder forum in Ottawa in February 2008, to reflect upon civil society and aid effectiveness and as part of the Accra process. A key outcome from these consultations was that Civil Society Organizations (CSOs) consider that the criteria of the Paris Declaration are not applicable to them.

A proposal was put forward by CONCORD, the European NGO Confederation for Relief and Development, at the Ottawa forum to initiate a self-driven civil society process to establish principles and tools to frame and promote the effectiveness of CSOs as development actors. Trócaire has been involved in this process from the outset, considering it to be a practical undertaking by CSOs to coordinate their response to the CSO aid effectiveness agenda.

1. From Effective Aid to Effective Development

In Trócaire's view delivering aid effectively and efficiently is only one part of a holistic vision of development and social justice and one contributing element towards achieving *development effectiveness*, the Millennium Development Goals and a reduction in poverty and inequality. Indicators for development effectiveness should include the realisation of human rights, gender equality¹¹ and environmental sustainability, which are "the fundamental cornerstones for achieving good development results".¹² These issues are not addressed in the Paris Declaration as the desired end results of effective aid from government to government. In spite of the fact that women represent a disproportionate percentage of the world's poor,¹³ there is only one mention of 'gender equality' in the Paris Declaration.¹⁴

Ireland has taken a progressive stance in discussions on the Paris Declaration in relation to the priority policy issues of human rights, gender equality, environmental sustainability and social inclusion. Ireland has contributed to the development of practical methods of applying the principles of the Paris Declaration to the advancement of these aims.¹⁵ However, there needs to be a firm commitment from Ireland to turn this progressive stance into real impact indicators. Targets for the impact of aid on the priority policy issues must be realisable, monitorable, quantifiable and timetabled if donors are to be held accountable.

There is a risk with the Paris Declaration that donors will concentrate on making progress on the technical targets of the Paris Declaration;¹⁶ to the detriment of progress on what are in Trócaire's view, the real indicators of effective development.

¹⁰ In addition to the Paris Declaration commitments, The EU made further commitments including increasing its aid, increasing the predictability of its aid, coordinating its aid better, better alignment of its aid with partner countries' plans and systems, untying its aid and reforming technical assistance. See 'Delivering Better Aid: An opportunity for European Union leadership in the fight against global poverty' CONCORD Aid Watch, Jan 2008, www.concordeurope.org

¹¹ Irish Aid state in the White Paper (2006) that Gender Equality must be at the heart of efforts to achieve the MDGs, p. 62

¹² UNDP (2007) Civil Society and the Aid Effectiveness Agenda, Linking the Paris and FFD Processes

¹³ Chant (2006), Journal of Human Development, Vol. 7, No. 2, July

¹⁴ Gender Equality is mentioned only once in the Paris Declaration under Point 42 on Harmonisation. OECD (2005) Paris Declaration on Aid Effectiveness, p. 7

¹⁵ Workshop on Development Effectiveness in Practice: Applying the Paris Declaration to Advancing Gender Equality, Environmental Sustainability & Human Rights, Dublin, April 2007; Strengthening the Development Results and Impacts of the Paris Declaration through work on Gender Equality, Social Exclusion and Human Rights, London, March 2008

¹⁶ Paris Declaration Indicators and Targets, see <http://www.oecd.org/dataoecd/57/60/36080258.pdf>

Recommendation 1: Ireland should recognise that aid effectiveness is part of a broader vision of development.

- Ireland should continue to push for the priority policy issues of human rights, gender equality, environmental sustainability and social inclusion to be further enshrined in the Paris Declaration
- Ireland should work towards developing impact indicators to measure the effectiveness of aid on these priority policy issues
- Use Irish Aid's technical capacity as a resource to develop these indicators for which donors can be held accountable in the Accra Agenda for Action and beyond

2. Recognition of Civil Society

Civil society, in its broadest definition, both north and south,¹⁷ has a hugely significant role to play in helping official donors and partner governments achieve the targets of the Paris Declaration. Indeed, without the proactive support and involvement of civil society, it is unlikely the aims of the declaration will be met. Civil society defines itself by the social solidarity it shares with people in the developing world. Civil society, both north and south, is marked by diversity, complexity and the broad representation of social interests and values of its constituencies. It fulfils many roles: enabler, mobilizer, service provider, donor, researcher and advocate. However, this distinctive role and contribution of civil society is not addressed in the Paris Declaration.

Globally, civil society's role in ensuring accountability of governments is a vital expression of democratic citizenship. This cannot be overlooked in the current debate and in the context of increasing aid flows. It is imperative that the space for civil society and parliaments to monitor the activities of governments and hold them to account is maintained and expanded.

Without this, progress on good governance and anti-corruption will be limited.

Recommendation 2: Ireland should push for the recognition of civil society's role as an essential development actor, accepting that diversity and independence is part of civil society's strength. This recognition is fundamental for aid effectiveness and should be reflected in the Accra Agenda for Action.

Trócaire's Effectiveness

Trócaire sees its own effectiveness as part of the overall goal, within the development community, to work towards the achievement of a world without poverty and injustice. Trócaire as only one contributor to overall development measures its effectiveness based on its vision of effective aid. Understanding Trócaire's own role in this process is a challenge that Trócaire addresses through its efforts to be accountable for what it does. This involves being accountable to those on whose lives Trócaire aims to have a positive impact, to those with whom Trócaire works, both within the organisation and partners and to Trócaire's donors.

3. Broaden the Understanding of Ownership to Democratic Ownership

Trócaire believes that ownership is a key element of development. It is commonly accepted that policies introduced in developing countries are more likely to lead to a reduction in poverty if they are country owned and developed, with meaningful opportunities for participation of those they are most likely to effect. However, the current view of ownership is that of government

¹⁷ Trócaire defines civil society as 'the arena, distinct from the state and the market, where people promote their common interests and seek to shape governance and policies for the benefit of all in society, without the promise of commercial profit or official power. Trócaire (2006) Civil Society Strengthening Policy

ownership, as the Paris Declaration is an agreement between governments. This view must be expanded to incorporate broader citizen ownership.

There is currently an imbalance in the direction of accountability flows, with upwards accountability to Northern donors being prioritised over Southern government's downward accountability to their own citizens. As long as ownership is believed to lie at the government level, accountability will continue to flow upwards. Civil society has a key role to play in facilitating the expansion of democratic ownership to increase accountability.

Trócaire's use of Accountability and Learning Mechanisms

Based on this understanding of democratic ownership, Trócaire's accountability and learning mechanisms are based on the fundamental understanding that communities define what they see as the impact of development interventions on their own lives. Trócaire's approach to showing its impact to those it is accountable to tends to focus more on the medium to long term effects of its work rather short-term development goals. Trócaire appreciates that its impact and the impact of the development community are often intangible and difficult to quantify. It is a constant challenge faced and one that Trócaire continually strives to improve upon.

Trócaire tries to show how its work has made a difference, by using examples of positive changes that have come about that are clearly linkable to the work of Trócaire's partners. Trócaire tries to capture outcomes and impact (both expected and unexpected) of the programmes and projects it is engaged in, and makes an attempt to analyse these across sectors and regions. Documentation of impact has always been a challenge and one that Trócaire strives to do better, assisting Trócaire partners to document positive

changes themselves. Identification of these changes is done through a variety of quantitative and qualitative methodologies. Changes that have occurred in the behaviour of people, in the policies and practices of governments or authorities, in the capacity of people to sustain their health, their livelihoods, and their communities are documented.

Conditionality, Tied Aid and Donor Driven Technical Assistance

The following three issues work to undermine democratic ownership by maintaining the power imbalance between donors and partner governments, reducing the level of control which partner governments have over their own development programmes. Without addressing these issues democratic ownership will not be achieved.

Conditionality

If the principle of ownership is to be respected and fulfilled, the use of certain policy conditions that undermine the sovereignty and domestic accountability of states must be stopped.¹⁸ Economic policy conditionality is still imposed by donors and International Financial Institutions and has had some very negative impacts on the poor.¹⁹

Aid must be accountable and partner governments must account transparently for aid received and how it is spent. Fiduciary responsibility and accountability by partner governments is essential, but externally imposed conditions should be replaced with mutually agreed objectives for the delivery of aid between donors and partner governments, which ensure aid remains accountable and delivers sustainable results for people living in poverty. Ireland has a role to play here with regard to its funding of the World Bank and International Monetary Fund, but also in its capacity as a member of a budget support group where conditions are imposed on

¹⁸ Policy conditions tell governments what to spend their money on, or how to manage their economic affairs

¹⁹ For example, in Mali the World Bank and International Monetary Fund made their aid conditional on the privatisation of the electricity sector and the liberalisation and privatisation of the cotton sector. Liberalisation of the cotton sector has caused three million Malian farmers to endure a 20 per cent drop in the price they received for their cotton in 2005. This is disastrous as 90% of Malians live on less than US\$ 2 per day. Eurodad (2007) 'Untying the Knots: How the World Bank is failing to deliver real change on conditionality.'

Southern governments by individual donors or the group of donors.

The use of conditionality is not addressed in the Paris Declaration. This is a key gap as it is a contentious issue. Donors must commit to stopping the imposition of harmful conditions, while developing country governments must maintain their fiduciary responsibility to ensure aid and other public monies are transparently accounted for.

Tied aid

The tying of aid to the procurement of goods and services from donor countries inflates costs by up to 30%,²⁰ benefiting firms and consultants from donor countries and reducing the freedom of partner governments to use aid for their own poverty reduction priorities.

Irish Aid's programme is completely untied, believing tied aid to be less effective in its impact. Using this commendable performance, Ireland should pressure other donors including the EU, to end the use of tied aid.²¹

Technical assistance²²

While approximately half of all OECD aid is in the form of technical assistance, its effectiveness has long been questioned. In many cases technical assistance is based on donor priorities rather than the priorities of the recipient government. Technical assistance that is not responsive to and aligned with the needs and pro-poor strategies of partner governments is less likely to result in an efficient transfer of resources in the long term.

While the Irish Aid programme is not completely free of the use of technical assistance strategies,²³ broadly they believe that technical assistance is an ineffective means of supporting capacity building, as it tends to be a substitute for local staff rather than building their capacity.²⁴

Again Ireland is in a strong position to use its influence to ensure the EU lives up to its commitment to reform its technical assistance.²⁵

Recommendation 3: Ireland should push for a broader definition of ownership, to one of democratic ownership, which involves all relevant actors, to increase accountability

This involves:

- Integrating citizens, parliaments, elected representatives, women's groups and local communities into national development plans and processes to increase accountability
- Stopping the use of harmful conditions imposed through multilateral support, which undermine country ownership and replacing these conditions with mutually agreed objectives between donors and partner governments
- Pushing for a more ambitious commitment from donors that can be timetabled and monitored to significantly reduce the use of tied aid
- Increasing the Paris Declaration target for demand-driven technical assistance, allowing partner governments to set their own agenda
- Encouraging EU donors to fulfil the further commitments made to these and other Paris Declaration targets

²⁰ OECD, World Bank et al (2005) Harmonisation, Alignment, Results: Report on Progress, Challenges and Opportunities. p. 41 <http://www1.worldbank.org/harmonization/Paris/ReviewofProgressChallengesOpportunities.pdf>

²¹ Also stated as an objective in the White Paper, p. 81

²² Technical Assistance refers to donors paying for consultants, research or training in recipient countries.

²³ TA being used in their programme in Timor Leste

²⁴ OECD DAC (2003) Peer Review of Ireland

²⁵ The EU has pledged to provide all capacity building assistance through coordinated programmes with an increasing use of multi-donors arrangements, European Consensus on Development (2005)

4. Predictability and Transparency are Essential

There is a lack of transparency and predictability on the part of some donors within the aid system, with distinct differences between what donors say they intend to disburse and what they eventually disburse. With this unpredictability planning processes are made very difficult for partner governments and ownership is undermined. Also, without access to transparent and timely information from donors, civil society's efforts to monitor aid flows and effectiveness and involve citizens in holding governments to account are made more difficult.²⁶

Ireland has multi-year agreements with its programme countries and should push for additional multi-year targets to be adopted by other EU donors.

Recommendation 4: Ireland must ensure predictability and transparency of all aid to partner countries, to enable recipients to plan and monitor aid in a strategic manner.

Within this it is critical that Ireland push for additional multi-year targets by all donors to guarantee aid flows to partner governments

5. A Representative Institution to Oversee Aid

Currently Northern donors monitor themselves, while Southern governments are monitored by Northern institutions that comply with and use World Bank assessments. Donors should not control the monitoring and evaluation of the implementation of the Paris Declaration, as this reaffirms the imbalance of power between donors and partner governments and undermines the

principles of ownership and mutual accountability. A more representative institution than the OECD, with input from civil society, should oversee the implementation, where partner governments and donors are represented equally.

Recommendation 5: Ireland should push for an independent, objective and impartial international institution to monitor and evaluate donor and partner progress against their Paris Declaration targets.

6. Ireland's Investment in their Commitments

In 2008, Ireland has committed to spend €914 million on ODA, which will bring its contribution to 0.54% of GNP, keeping it on track to meet its commitment of 0.7% of GNP by 2012.²⁷ If Ireland fulfils this commitment, based on anticipated growth rates, it is projected that ODA spending will be approximately €1.5 billion in 2012.²⁸ As volume of aid is not addressed in the Paris Declaration and given the current economic downturn, it is imperative that Ireland put in place real commitments to meet this target.

In order for Irish Aid to deliver the projected increase and maintain the quality of Irish development cooperation it must have access to both the financial and human resources to do so. In the 2003 OECD DAC Peer Review of Ireland, it was noted that human resource capacity was "barely adequate".²⁹ Numbers of staff have not risen in line with the rapidly growing budget and Irish Aid staffing levels, expressed in numbers of staff in relation to overall turnover, are well below the levels of other donor agencies with similar budgets.³⁰ Irish Aid's capacity issues must be addressed if it is to effectively deliver Ireland's overseas aid programme.

²⁶ International Civil Society Steering Group on Aid Effectiveness (2008), Better Aid, A civil society position paper for the 2008 Accra High Level Forum on Aid Effectiveness, p.14

²⁷ Financial Statement of the Minister for Finance (December 2007) http://www.budget.gov.ie/2008/financialstatement.html#_Toc184577398

²⁸ Irish Aid (2006) White Paper on Irish Aid, Summary

²⁹ OECD DAC (2003) Peer Review of Ireland, p.16

³⁰ Dochas (2007) Building Capacity for Effective Action, Dochas Submission to Irish Aid Management Review, p.3

Policy coherence across Irish Government departments must be prioritised to ensure consistency of related policies and the success of Ireland's development objectives. Policy coherence should be a thread running through all government activities in relation to development so that, at the most fundamental level, Ireland can avoid aggravating problems it is trying to help solve.³¹ For example, whilst Ireland's development cooperation seeks to improve people's ability to produce food through rural development or livelihoods programmes, Ireland is simultaneously contributing to global climate change, which is worsening drought in the developing world and preventing people from growing crops. The recently established Interdepartmental Committee on Development should go some way towards promoting coherence across Irish Government departments.³²

towards the achievement of the objectives of the overseas development programme.

Conclusion

The Paris Declaration is one step on the journey towards a more just and equitable world. This journey is taking place in a rapidly changing aid environment, where new donors and funds are emerging and others potentially declining. All actors, including Ireland, have a role to play in transforming the aid system to one where democratic ownership and mutual accountability are priorities that are inclusive of all actors. Accountability must flow in the direction of the people who are the ultimate targets of aid.

**Recommendation 6:
Ireland should invest in Irish Aid's capacity to deliver the increase in ODA expected over the coming years, ensuring Ireland's aid programme can be effectively monitored and quality controlled.**

As part of this it is critical that Ireland ensure coherence across all Irish Government departments

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³¹ Trocaire (2007) Towards 2012: A New Overseas Development Agenda for Ireland. <http://trocaire.org/pdfs/policy/towards2012anewoverseasdevelopmentagendaforireland.pdf>

³² Ibid