

UNITED NATIONS DEVELOPMENT CO-OPERATION FORUM
New York, 30 June – 1 July 2008

Eckhard Deutscher
Chair, OECD Development Assistance Committee

Speaking points

- Let me start by saying that I think we have had very interesting, relevant and constructive discussions so far at this DCF. I think the DCF has already shown that it has a lot to contribute by offering a forum to share perspectives and priorities from different stakeholder groups, to discuss issues openly and to offer a market place for ideas. At several occasions, we have heard that the DCF should have a role and stay engaged in the aid effectiveness work, and I am happy to support this. And I think there is both great scope and need for a strong partnership between the Working Party on Aid Effectiveness and the DCF.
- At the High Level Symposium of the DCF in Cairo in January this year, I proposed that the draft Accra Agenda for Action (AAA) be made available at this DCF plenary for comment and input. In April, the Ghanaian ambassador hosted a side event in the margins of a Financing for Development session to explain the Accra process, and yesterday, the Ghanaian delegation circulated the very latest draft version of the document, which was released last Friday night.
- I would like to supplement this with a very brief background on the aid effectiveness work. It is important to have a good sense of the context, and should also help to address some misperceptions. In fact, the aid effectiveness work is a direct and tangible outcome of the Monterrey Consensus to work on aid volume and aid effectiveness in a spirit of partnership and mutual accountability. The Working Party on Aid Effectiveness, which we host at the OECD, is a broad international partnership with equal representation of partners and donors. It grew out of work that started with a focus on improving donor practices, but has since assumed much greater scope. And this brings me to the point of taking into account concerns and perspectives from different stakeholders.
- In 2001, the DAC set up a Task Force on Donor Practices, and invited a panel of 16 developing countries to join. Since then, the process has further evolved to take the concerns and perspectives from a broad and diverse range of actors into account. Let us first look at the participation and consultation with partner countries: The Working Party on Aid Effectiveness is composed of an equal number of partner countries and donors. Partner countries participate in all work-streams and working groups. The survey of the Paris Declaration is strongly owned and led by partner countries. 56 countries from all regions took part in the 2008 survey, and the process has been entirely driven by partner countries. Finally, and very importantly, the role of Ghana as a co-chair and Ghana's offer to host the Third High Level Forum on Aid Effectiveness are very practical manifestations of this partnership between donors and recipient – and I would like to thank Ghana for the commitment and the major effort involved in taking on these roles, including to ensure that the Accra process has strong developing country leadership. I would also very much welcome participation in Accra by the ECOSOC presidency.
- Moreover, it is not only national governments that have a strong role to play in the preparation for Accra. The principles of ownership of development results and of mutual accountability require an active role of a broad range of stakeholders. This is not just a formality but is functionally essential. Without the engagement of parliaments and local government the ownership, accountability and feedback mechanisms will not work.
- Nor will it work without the voice of civil society – who are very much becoming part of the aid effectiveness initiative. This is not limited to an advocacy role of CSOs, but is also about the contributions that they can make and about the principles and need for change they as well have to commit to in delivering their assistance. An Advisory Group on Civil Society brings government and CSO from partner and donor countries together, and there has been a major consultation process with

CSOs, including in preparing for a CSO event on aid effectiveness in Accra, immediately before the High Level Forum.

- The preparations for Accra have also emphasized the engagement of providers of development assistance outside the DAC. The Working Party held its first event with non-DAC providers of assistance in November 2007, where 17 non-DAC delegations participated, and several related events, in Paris in February 2008, in Bangkok in April, and again in Paris next week, have followed.
- This engagement is showing results: We have clear evidence that the concerns are being addressed, and that we do have a very strong convergence of thinking on what is needed in the way forward. And this is thanks to the aid effectiveness process.
- In the preparation for Accra, partner countries identified six key priorities, which they felt were not adequately covered in the Paris Declaration. And these six priorities have shaped the consultations and preparations for Accra on every step of the way. All round tables at Accra must address the six priorities identified by partner countries. At the DAC High Level Meeting in May this year, donor ministers and heads of agencies have made it clear that they will respond to them. Let me just identify the key steps embodied in the current draft of the Accra Agenda for Action:
 - 1) Strengthening demand driven capacity development; 2) increase medium term predictability; 3) streamlining the application of conditions – so that they draw on partner country ownership and focus on results; 4) division of labour; 5) include clear incentives for aid effectiveness in donor organizations; 6) further untie aid.
- The AAA will take us beyond current practices. We are still very far from approaching perfection. But we are in the fortunate position that we know where collectively we want to go. Without the aid effectiveness agenda, we would know that things are far from perfect – but we would have no common vision of how to improve. And we would not be able to assess and monitor systematically the efforts of donors and partner countries to make their co-operation more effective. We can now see where change is happening, and where it is still too slow to come. The very fact that we have identified specific issues and bottlenecks, and are working together to resolve them, has only become possible through the aid effectiveness work.
- So my answer to the question of how to accommodate the concerns of partner countries and stakeholders is: by using the framework that we have to take their positions and concerns into account – and to bring them into the fold. Aid effectiveness is about a common understanding of the need for change. It does not follow a legal approach, where the focus is limited to compliance. The focus is on having a framework to increase the effectiveness of development co-operation.
- The second question asks about how to ensure leadership. I don't think there is a blueprint for this. Progress has been slow so far – but we have gained momentum, and donors know that they need to respond. At the High Level Meeting of the DAC in May, ministers and heads of agencies acknowledged that progress on this front has been too slow and have confirmed that they will accelerate transfer of responsibility for managing development programme countries, and that donors will make use to the maximum extent of strengthen country systems for managing resources.
- At the same time, we have to be clear that it is not possible to decompose the aid effectiveness agenda and look at the principles in isolation. Strengthening leadership will only work if domestic accountability systems are strengthened on the partner country side. Without this, donors will find it hard to develop the necessary trust and confidence to really let go of their control of their aid funds.
- The third question asks why the Paris Declaration is not bringing behavioural change. I actually think it does bring change – even if so far not at the pace and scale that we need. The Paris Declaration has created powerful momentum. We need to use the momentum that has been created, otherwise we risk losing it.

- This is related to the fourth question: how to avoid that aid effectiveness is stymied by turning into a technocratic exercise? Let me stress that the aid effectiveness agenda is not an abstract exercise in coordination for its own sake. It is highly relevant to the effectiveness with which the complex international aid architecture can address complex development challenges such as the food crisis and climate change.
- It is important that aid effectiveness work has direct operational relevance. And because of the concreteness, a degree of specification is necessary. But we cannot over-define things to death. We need to make sure that it remains simple enough to work, that we have clear messages that everybody understands. At the Accra High Level Forum, we do not look to add complexity. Rather, we want to identify bottlenecks and leverage the political action that is necessary to overcome them.
- So what will we be doing together in Accra? We don't want to change the Paris Declaration, we don't want to invent something new. But rather, we want to take stock and ensure that we can move forward together and overcome challenges. But we are not dealing with changes on the margin. We are talking about fundamental and far-reaching changes in the way that partner countries and donors work together. The aid effectiveness agenda is about changing behaviour and – let's be clear about this – about changing institutions and their operational models quite drastically.
- Only strong political leadership will generate these kinds of behaviour change to make the ownership principle a reality, to get alignment and harmonization, to establish better predictability and to work on the basis of result based approaches, and to have robust mutual accountability processes.
- At the same time, we must not transform aid effectiveness into an agenda that is defined by politics. Aid effectiveness is a question of operating jointly in an effective way. We need peer pressure among donors and among partners, and mutual pressure to achieve ambitious goals – but this needs to come out of a common commitment of interested parties, who are willing to start by demanding change from themselves.
- Yesterday, Louis Michel and others said that aid effectiveness and the Accra High Level Forum are about credibility. I fully agree. And I would go one step further: We are at a critical juncture in 2008. We need to be able to show that development co-operation is effective, that it has impact on development progress and the MDGs. This is also the basis for the political confidence and support needed for the scaling up of aid. There is a clear link between the questions of aid effectiveness and scaling up. The aid quality focus of the Paris Declaration is the essential underpinning for the increases in the quantity of aid. With Accra, with the FFD meeting in Doha, with the UN meeting we have a great opportunity this year to make real progress on development. Success at Accra will be essential for a successful outcome both at the MDG Summit in New York and the Financing for Development conference in Doha later this year. And I think the DCF has an important role for linking and connecting these different processes and improving the prospects for the collective outcomes of these intimately related efforts.
- Let me, therefore, close by calling upon all present to support action to take the aid effectiveness work forward. This is the main challenge I see for Accra: we know what the problems have been, we know what has gone wrong in the past, we have a clear roadmap for resolving them. Now we need to sustain change and bolster momentum by ensuring the political commitment and dedication that is necessary to implement our shared commitments and goals. Here, and in preparing for Accra, we are not talking about something fundamentally new, we are not planning to make big changes to our roadmap for change. We want to update it to reality, and we want to ensure the political will we need for a breakthrough. And then we need to act – urgently.