

First Consultative Draft

ACCRA AGENDA for ACTION

*As the first consultative draft of the Accra Agenda for Action, this document will be revised to reflect the comments from the Working Party on Aid Effectiveness and the regional preparatory events organised for Accra. A revised penultimate draft will be circulated by the middle of June for review by the Working Party on Aid Effectiveness on **9-10 July 2008**. For more information on this process, please consult the Accra High-Level Forum website: www.accrahlf.net*

Preamble

1. At the Paris High-Level Forum in 2005, a broad segment of the international community committed to reform the delivery and management of aid. Today, 4 September 2008, we Ministers of developed and developing countries who are responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Accra, have assessed progress and identified needed action to broaden and deepen the implementation of the commitments many of us undertook in the Paris Declaration. We welcome all the countries that have associated themselves with this undertaking.
2. We note that in recent years, major changes have taken place in the international aid system. There is an increasing diversity of development approaches and development partners, together with the ongoing involvement of the partner countries, bilateral donors, and the multilateral institutions that has enriched the development process. The Paris principles are providing a solid platform for accelerated progress on gender equity, environmental sustainability, respect for human rights, and good governance that is fundamental to good development results.
3. We recognise the large, substantive, and distinctive role played by civil society organisations as development actors, but also as aid donors, recipients, and partners. We value the contributions being made by global funds, including private foundations, and their support for and engagement with country-led assistance programs. We welcome the financial aid and cooperation offered by countries that are drawing on their own recent development experiences as aid recipients, and in particular the opportunities for south-south cooperation that have grown in recent years.
4. Three years after the Paris Declaration, we are beginning to see many positive changes to aid practices that have led to more effective use of aid resources, and to the forging of productive development partnerships between and among partner countries, donors, and civil society. At the same time, we acknowledge that we have not met all of our objectives, nor have we stretched ourselves enough to make the difficult policy and procedural changes necessary to improve aid delivery and management for greater development impact. We can and must do better.
5. We look ahead to the Doha meeting on *Financing for Development* later this year (2 December 2008), to the upcoming G-8 meetings in Italy next year, the MDG Call to Action, and the Monterrey Consensus Review to join common cause with these international efforts to strengthen the underpinnings for inclusive and sustainable development and to meet the Millennium Development Goals.

STATEMENT OF RESOLVE

6. We have reviewed progress in implementing the Paris Declaration, measured ourselves against the commitments and targets that we had set for 2010, shared good practice in increasing the impact of aid, and identified bottlenecks that hamper further progress. We have agreed on this Accra Agenda for Action to strengthen the Paris Declaration framework and respond to the emerging opportunities and challenges of the complex international aid system, and to achieve better development results.
7. We believe that the framework to improve aid effectiveness and development impact offered by the five Paris principles — ownership, alignment, harmonisation, managing for results, and mutual accountability — is

fundamentally sound. At the same time, we take these principles as a useful guide that requires flexibility and adaptation, when applying to the differing needs of individual country circumstances, and different stakeholder groups such as civil society organisations. Thus this Accra Agenda for Action should be read as supplementing, and not substituting for, the Paris Declaration framework.

PRIORITY ACTIONS

8. While we resolve to continue promoting progress on all the commitments of the Paris Declaration, we have drawn on the 2008 Paris Monitoring Survey, the Progress Report on implementing the Paris Declaration, the Paris Declaration Evaluation Report, the work underlying the preparation of the nine Roundtables, the reports from the regional preparatory events for Accra, the CSO and multistakeholder regional consultations, [and input from the Accra Consensus Group] to identify a set of Priority Actions for endorsement by Ministers at Accra.

Strengthening country ownership of development

9. Experience shows that aid is most effective when it supports countries' own development efforts and policies to which leaders, officials and citizens are truly committed. To this end, partner countries will:
- Deepen their *ownership* of the development process by engaging their *citizens, civil society organisations, and parliaments* more fully in planning, implementing, and assessing their development policies, programmes and budgets.
 - Step-up efforts to *record all external as well as domestic resources in budget documents*.
 - Strengthen linkages among annual budgets, medium-term expenditure frameworks, and national development policies.
10. Many partner countries have to meet an array of *conditions on aid* and a plethora of benchmarks measured by layers of indicators before aid funds are disbursed. We will build on the progress made in developing good practice on conditionalities including those undertaken by the Bretton Woods institutions by reaching agreement by [December 2010] on an *International Code of Conduct for transparently implementing conditionality* with a view to:
- Improving the design of conditions so as to make them more effective at promoting ownership, and achieving results from mutually agreed reform measures.
 - Streamlining and harmonising the application of conditions so as to support more predictable disbursements.
 - Diminishing the number of overlapping conditions.

Improving alignment with country priorities, systems, and procedures

11. Technical co-operation efforts remain largely uncoordinated and supply-driven; their linkage to the partner country needs assessed through diagnostic tools and analytical studies remains weak; the focus on results to be achieved is seldom clear; and well-documented lessons learnt need to be better reflected in operational projects and programmes. Donors will provide clear guidance to their staff on how to address these long-standing issues that have hampered *capacity development*. Partner countries will:
- Assert stronger leadership in *determining priority programmes of capacity development*, especially those needed to improve country systems (e.g. public financial management, procurement and managing for development results).
 - Work with donors to develop operational strategies to strengthen, *build the capacity of, and increase the use of country systems* (including in public financial management, procurement, safeguards, and managing for results).

12. In the area of public financial management, donors and partner countries will adopt the Public Expenditure and Financial Accountability framework as the core tool for assessing performance and measuring progress within a multiyear plan for public financial management diagnostics.
13. While development is a medium- to long-term undertaking, donors' time-horizon for committing aid is typically short term. This undermines partner countries ability to appraise, plan and manage public expenditure and hampers the emergence of public expenditure review and accountability systems in partner countries. Predictable and sustained funding of development needs of partner countries over the medium-term will require actions at different levels from both donors and partner countries. To this end, we will reach agreement by **[December 2010]** on actions that *increase medium-term predictability* by:
- Increasing the proportion of aid committed on a rolling three-year basis and improving the timeliness of disbursements.
 - Proposing practical modalities for publishing reliable country-by-country timetables for aid commitments and expenditures.
 - Designing innovative disbursement modalities, including pooling of donor funds to smooth out agreed financing flows.
14. In line with adapting the Paris principles to the specific needs at the country level, in situations of fragility and conflict, we will pursue the achievement of international objectives on state-building and peace-building and to adopt a whole-of-government and whole-of-system approach to development that integrates all relevant actors, both national and international, in the areas of diplomacy, development, and defence. Further, we commit to better aid allocation in terms of (i) mobilising staff more rapidly; (ii) making resource flows more predictable; (iii) ensuring continued support for a sustained period of time; and (iv) ensuring the deployment of high-quality staff to these situations.
15. A broad range of partner countries continue to identify tied aid as a critical limiting factor in strengthening ownership, and facilitating national capacity development. Donors will strengthen their efforts to untie their aid in accordance with the 2001 DAC Recommendations on Untying Official Development Assistance to the Least Developed Countries. Donors will continue to make *progress on untying aid* by *[Expanding their use of locally sourced procurement]* / *[Extending the current DAC recommendation on the Untying of aid]* / *[Establishing and monitoring progress towards reaching a target for Paris Declaration Indicator 8 on Untying Aid]*.
16. Recognising the civil society organisations contributions to and accountability for aid effectiveness, commensurate with their growing role as aid donors and partners, we will work to agree by **[December 2010]** on a joint statement of *Good Practice on Civil Society and Aid Effectiveness*.

Harmonising and streamlining aid delivery at country level

17. The Paris Declaration identified the need to take concrete and effective action *to integrate global programmes into partner countries' broader development agendas*. Nevertheless, global vertical funds continue to proliferate, encouraged by their political appeal in donor countries. In this respect we underline the importance of developing good practice principles. We call on funders of and stakeholders in global programmes to give serious analytical and decision-making attention to whether collective action requires earmarked global financing, or whether the alternative of financing effectively through an existing institution has been sufficiently explored. Should new, earmarked financing mechanisms be needed, we call on funders and stakeholders to apply these principles in practice and align and harmonise pro-actively, and ensure results and accountability frameworks are put in place.
18. The evolving international aid system is characterised by excessive fragmentation of aid at the country and sector level, and the Paris Declaration called for a pragmatic approach to division of labour that increases complementarity and reduces the transaction costs of managing and delivering aid. To help secure the benefits of more effective division of labour, address aid fragmentation, and deliver aid more effectively, we will agree by **[December 2010]** on *Good Practice Principles for Complementarity and Division of Labour, drawing from the EU Code of Conduct*. To accelerate progress in this direction, donors will support partner countries in

developing their *aid management systems*, including mapping donors to country priority sectors in national development strategies.

19. We will develop and implement harmonised methodologies for assessing *climate risks* in the sectors that are most vulnerable to climate change risk and variability. We will work closely with interested partner countries to institutionalise and broaden the use of Strategic Environmental Assessments (SEAs).
20. The cost of reaching agreement among donors on legal aspects of joint financing operations is typically high, especially on partner countries when it leads to delays in disbursements. We will build on the recently launched Legal Harmonisation Initiative to facilitate the process of reaching these agreements, including through using flexible model documents and responsive decision taking by senior legal and policy staff.

Achieving and demonstrating development results

21. ***Stronger incentives*** are needed in donor organisations and in partner countries to articulate the clear and concrete outcomes that are expected from alignment and harmonisation plans and to focus management and staff efforts on time bound actions to achieve these outcomes. Donors agree to undertake a detailed review of policies, procedures and regulations in our respective institutions to improve incentives for implementing the Paris Declaration agenda.
22. We will invest more in measuring, delivering, and ***communicating results*** from development activities and in demonstrating that the role of donor and partner country leadership and political will is very important. We agree to work closely with partner countries to develop cost effective results management instruments to promote harmonisation and alignment, foster improved aid predictability and management of aid resources, and improve reporting to parliaments and citizens. We will also invest more in gender disaggregated data as a way of increasing the impact of aid.

Strengthening mutual accountability for development

23. At the country level, we will implement strengthened ***mutual accountability mechanisms***, drawing on such emerging best practice as institutionalised reviews of local harmonisation action plans and country assistance strategies, Results & Resource Partnerships (RRPs), and independent advisory groups; and we will also broaden participation in the process to include parliaments, civil society, and other stakeholders.
24. At the international level, we will work to reach agreement by [**December 2010**] on ways to rationalise existing ***international monitoring mechanisms*** to create a collaborative, complementary, and credible system of mutual accountability, while strengthening the voice of partners and the use of evidence based analysis.

LOOKING FORWARD

25. We are directing the senior management of our respective Ministries, institutions, and organisations to organise, implement, and closely monitor these actions. At the international level, we call on the Working Party on Aid Effectiveness, an international partnership hosted by the OECD-DAC, to propose by [**March 2009**] arrangements for ***taking forward the Accra Agenda for Action***, including monitoring its progress.
26. Consistent with the focus on implementation, we plan to meet again for a ***Fourth High-Level Forum in December 2011*** to review progress in achieving the commitments and targets agreed in the Paris Declaration and in carrying out the actions agreed in the Accra Agenda for Action. We request the Secretariat of the Working Party on Aid Effectiveness to table a progress report in time for the Fourth High-Level Forum, and we call on all participants to continuously improve the framework for the implementation of the Paris Declaration in order to respond to the challenges that arise both before and after that event.