

DCD/EFF/JC(2008)06

11 August 2008

To: Accra High-Level Forum Participants

Dear Minister/HLF Participant,

Please find attached the draft of the Accra Agenda for Action (AAA) that is submitted for endorsement by the **Third High Level Forum on Aid Effectiveness** in Accra on 2-4 September 2008.

As we prepare for our discussions in Accra, I would like to emphasise the significance of this AAA and the process that has produced it. *This draft text is the culmination of one of the most extensive consultation processes ever held in the field of development co-operation.* This has been a structured process, drawing on evidence-based reviews of the Paris Declaration implementation, and discussions engaging many people from all around the world at many levels and from both official and civil society organisations. The views of more than 80 partner countries, some 60 CSOs, all DAC donors and many non-traditional providers of development assistance have fed into this draft. The investment of time, energy and financial resources by everyone involved in the process has ensured we have an AAA which will support real progress in important areas such as predictability, use of country systems and strengthening accountability for results.

This text reflects a high level of consensus to move forward on some very challenging issues, but there will of course be some areas where it does not meet everyone's concerns and ambitions. Consensus obviously implies some compromises, which must be accepted in a process of this kind. However, participants will have ample opportunity at Accra to articulate their own perspectives on the AAA and their proposed actions for implementing the Paris Declaration principles — at the Roundtable discussions and during the plenary sessions, including the Ministerial segment of the HLF. The outcome of these discussions will be recorded — in the AAA and in the HLF Chair's Summary.


But Accra will also be about agreeing how we will work together towards HLF-4 in 2011, and what actions and further work will be needed to ensure we meet the commitments of the Paris Declaration by 2010. Given the extent of consultation and consensus already embodied in the AAA — and to make best use of the time we will have at Accra to collectively engage on the way ahead — I propose the following process for handling the final agreement and adoption of the AAA from this point onwards:

- > This draft has been approved for circulation to the Accra High-Level Forum by the Working Party on Aid Effectiveness, subject to further discussions at Accra of a limited number of key issues signalled in the draft by footnotes (see paragraphs 15c, 17b, 18b, 24c and 26c).
- > These and any other remaining key issues will be resolved at Ministerial level at Accra. A group including senior officials from developing countries and donor countries/organisations —The Accra Consensus Group— has facilitated the attached draft and will be available to help achieve a final consensus.

Let me take this opportunity to say that it has been a privilege for me to lead our international partnership on aid effectiveness. I believe that Accra will be a milestone in our shared objectives of improving the international aid system, and delivering development progress for all countries and all people.

With best wishes for a successful outcome at Accra

Yours Sincerely,



Jan Cedergren

ACCRA AGENDA FOR ACTION

Ministers of developing and donor countries responsible for promoting development and Heads of multilateral and bilateral development institutions endorsed the following statement in Accra, Ghana, on 4 September 2008.

This is a moment of opportunity

1. We are committed to eradicating poverty and promoting peace and prosperity by building stronger, more effective partnerships that enable developing countries to realise their development goals.
2. There has been progress. Fifteen years ago, one in every three people lived on less than one dollar a day; today, that figure has been reduced to one in five. However, more than one billion people still live in extreme poverty,—most of them women and girls—and access to safe drinking water and healthcare remain major issues in many parts of the world. In addition, new global challenges—rising food and fuel prices and climate change—threaten the advances against poverty many countries have made.
3. We need to achieve much more if all countries are to meet the Millennium Development Goals (MDGs) by 2015. Aid is only one part of the development picture. Democracy, economic growth, social progress, and care for the environment are the prime engines of development in all countries. Addressing inequalities of income and opportunity within countries and between states is essential to global progress. Gender equality, respect for human rights, and environmental sustainability are cornerstones for achieving enduring impact on the lives and potential of poor women, men, and children. It is vital that all our policies address these issues in a more systematic and coherent way.
4. In 2008, three international conferences will help us accelerate the pace of change: the Accra High-Level Forum on Aid Effectiveness, the United Nations High-Level Event on the MDG in New York, and the Financing for Development follow-up meeting in Doha. Today at Accra, we are leading the way, united in a common objective: to unlock the full potential of aid in achieving lasting development results.

We are making progress, but not enough

5. Learning from our past successes and failures in development co-operation, in March 2005 we adopted an ambitious set of reforms: the Paris Declaration on Aid Effectiveness. In the Paris Declaration, we agreed to develop a genuine partnership, with developing countries clearly in charge of their own development process. We also agreed to hold each other accountable for achieving concrete development results. Three and one-half years later, we are reconvening in Accra to review progress and address the challenges that now face us.
6. Evidence shows we are making progress, but not enough. A recent evaluation shows that the Paris Declaration has created powerful momentum to change the way developing countries and donors work together on the ground. According to the 2008 Monitoring Survey, a large number of developing countries have improved their management of public funds. Donors, in turn, are increasingly improving their co-ordination at country level. Yet the pace of progress is too slow. Without further reform and faster action we will not meet our 2010 commitments and targets for improving the quality of aid.

We will take action to accelerate progress

7. Evidence shows that we will need to address three major challenges in order to accelerate progress on aid effectiveness:
8. *Country ownership is key.* Developing country governments will take stronger leadership of their own development policies, and engage with their parliaments and citizens in shaping them. Donors will support them by respecting country priorities, investing in their human resources and institutions, making greater use of their systems to deliver aid, and increasing the predictability of aid flows.
9. *Building more effective and inclusive partnerships.* In recent years, more development actors—middle-income countries, global funds, the private sector, civil society organisations—are increasing their contributions and are bringing valuable experience to the table. This also creates management and co-ordination challenges. Together, all development actors will work in more inclusive partnerships so that all our efforts have greater impact on reducing poverty.
10. *Achieving development results—and openly accounting for them—must be at the heart of all we do.* More than ever, citizens and taxpayers of all countries expect to see the tangible results of development efforts. We will demonstrate that

our actions translate into positive impacts on people's lives. We will be accountable to each other and to our respective parliaments and governing bodies for these outcomes.

11. Without addressing these obstacles to faster progress, we will fall short of our commitments and miss opportunities to improve the livelihoods of the most vulnerable people in the world. Therefore, we are reaffirming our commitments to the Paris Declaration and have agreed on concrete and monitorable actions to accelerate progress by 2010. This will require continuing efforts in monitoring and evaluation so we can assess whether we achieved the commitments we agreed in the Paris Declaration and the Accra Agenda for Action—and to what extent aid effectiveness is improving and generating greater development impact.

Strengthening Country Ownership over Development

12. Developing countries determine and implement their development policies to achieve their own economic, social, and environmental goals. We agreed in the Paris Declaration that this would be our first priority. Today, we are taking additional steps to turn this resolution into a reality.

We will broaden country-level policy dialogue on development

13. We will engage in open and inclusive dialogue on development policies. We acknowledge the critical role and responsibility of parliaments in ensuring country ownership of development processes. To further this objective we will take the following actions:

- a) Developing country governments will work more closely with parliaments and local authorities in preparing, implementing, and monitoring national development policies and plans. They will also engage with civil society organisations (CSOs).
- b) Donors will support efforts to increase the capacity of all development actors—parliaments, central and local governments, CSOs, research institutes, media and the private sector—to take an active role in dialogue on development policy and the role of aid in contributing to countries' development objectives.
- c) Developing countries and donors will ensure that their respective development policies and programmes are designed and implemented in ways consistent with their agreed international commitments on gender equality, human rights, disability, and environmental sustainability.

Developing countries will strengthen their capacity to lead and manage development

14. Without robust capacity—strong institutions, systems, and local expertise—developing countries cannot fully own and manage their development processes. We agreed in the Paris Declaration that capacity development is the responsibility of developing countries, with donors playing a supportive role and that technical co-operation is one means among others to develop such capacity. Together, developing countries and donors will take the following actions to strengthen capacity development:

- a) Developing countries will systematically identify areas where there is a need to strengthen the capacity to perform and deliver services at all levels—national, sub-national, sectoral, and thematic—and design strategies to address them. Donors will strengthen their own capacity and skills to be more responsive to developing countries' needs.
- b) Donors' support for capacity development will be demand-driven and designed to support country ownership. To this end, developing countries and donors will i) jointly select and manage technical co-operation, and ii) promote the provision of technical co-operation by local and regional resources, including South-South co-operation.
- c) Developing countries and donors will work together at all levels to promote operational changes that make capacity development support more effective.

We will strengthen and use partner country systems to the maximum extent possible

15. Successful development depends to a large extent on a government's capacity to implement its policies and manage public resources through its own institutions and systems. In the Paris Declaration, developing countries agreed to strengthen their systems¹ and donors agreed to use them to the maximum extent possible. Evidence shows, however, that developing countries and donors are not on track to meet these commitments. Progress in improving the quality of country

¹ These include, but are not limited to, public financial management, procurement, audit, monitoring and evaluation, and social and environmental assessments.

systems varies considerably between countries; and even when there are good-quality country systems, donors often do not use them. To strengthen and increase the use of country systems, we will take the following actions:

- a) Donors agree to consider use of country systems as the first option for aid programmes in support of activities managed by the public sector.
- b) Developing countries and donors will jointly assess the quality of country systems in a country-led process using mutually agreed diagnostic tools.
- c) Where there are quality systems, donors will use them. *[Note]*² When donors continue to rely on aid delivery mechanisms outside country systems (including parallel project implementation units), they will transparently state the rationale for this and will review their positions at regular intervals. Where use of country systems is not feasible, donors will establish additional safeguards and measures that strengthen rather than undermine country systems and procedures.
- d) Where country systems require further strengthening, countries will lead in defining reform programmes and priorities. Donors will support these reforms and provide capacity development assistance.
- e) Donors will transparently set out their plans for undertaking their Paris commitments on using country systems; provide staff guidance on how these systems can be used; and ensure that internal incentives encourage their use.

Building More Effective and Inclusive Partnerships for Development

16. Aid is about building partnerships for development. Such partnerships are most effective when they fully harness the energy, skills, and experience of all development actors—bilateral and multilateral donors, global funds, CSOs, and the private sector. To support developing countries' efforts to build for the future, we resolve to create partnerships that will include all these actors.

We will reduce costly fragmentation of aid

17. The effectiveness of aid is reduced when there are too many duplicating initiatives, especially at country and sector levels. We will reduce fragmentation of aid by improving the complementarity of donors' efforts and the division of labour among donors. To this end:

- a) Developing countries will lead in determining the optimal roles of donors in supporting their development efforts at national, regional and sectoral levels. Donors will respect developing countries' priorities, ensuring that new arrangements on the division of labour will not result in developing countries receiving less aid.
- b) We call upon the Working Party on Aid Effectiveness to continue to work on the division of labour with a view to i) developing good practice principles on in-country division of labour, ii) designing a methodology to measure progress, and iii) promoting dialogue on international division of labour across countries. *[Note]*³

We will increase aid's value for money

18. Since the Paris Declaration was agreed in 2005, OECD-DAC donors have made progress in untying their aid. A number of donors have already fully untied their aid, and we encourage others to do so. We will pursue, and accelerate, these efforts by taking the following actions:

- a) OECD-DAC donors will extend coverage of the 2001 DAC Recommendation on Untying Aid to non-LDC HIPC⁴ and improve their reporting on the 2001 DAC Recommendation.
- b) Donors will elaborate individual plans to further untie their aid to the maximum extent. *[Note]*⁵
- c) Donors will promote the use of local and regional procurement by ensuring that their procurement procedures are transparent and allow local and regional firms to compete. We will build on examples of good practice to help improve local firms' capacity to compete successfully for aid funded procurement.

² *[This proposal is subject to further discussions at the Accra High-Level Forum]*

³ *[This proposal is subject to further discussions at the Accra High-Level Forum].*

⁴ The 2001 DAC recommendation on Untying ODA to the Least Developed Countries (LDC) covers 31 so called Heavily Indebted Poor Countries (HIPC). The OECD Development Assistance Committee (DAC) at its 2008 High Level Meeting agreed to extend the 2001 Recommendation to cover the remaining eight countries that are part of the HIPC initiative: Bolivia, Cameroon, Côte d'Ivoire, Ghana, Guyana, Honduras, Nicaragua, and Republic of Congo.

⁵ *[This proposal is subject to further discussions at the Accra High-Level Forum].*

We welcome and will work with all development actors

19. The contributions of all development actors are more effective when developing countries are in a position to manage and co-ordinate them. We welcome the role of new contributors and will improve the way all development actors work together by taking the following actions:

- a) We encourage all development actors to use the Paris Declaration principles as a point of reference in providing development co-operation.
- b) We acknowledge the contributions made by all development actors, and in particular the role of middle-income countries as both donors and recipients of aid. We recognise we can learn from the experience of South-South co-operation, and we encourage further development of triangular co-operation.
- c) Global funds and programmes make an important contribution to development. The programmes they fund are most effective when complementary efforts are made to improve the policy environment and to strengthen the institutions in the sectors in which they operate. We encourage all global funds to support country ownership, to align and harmonise their assistance pro-actively, and to make good use of mutual accountability frameworks, while continuing their emphasis on achieving results. As new global challenges emerge, donors will first ensure that existing channels for aid delivery are used before creating separate new channels that risk further fragmentation and complicate co-ordination at country level.

We will deepen our engagement with civil society organisations

20. We will deepen our engagement with CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector. We share an interest in ensuring that CSO contributions to development reach their full potential. To this end:

- a) We invite CSOs to reflect on how they can apply the Paris principles of aid effectiveness from a CSO perspective.
- b) We welcome the CSOs' proposal to engage with them in a CSO-led multistakeholder process to promote CSO development effectiveness. As part of that process, we will seek to i) improve co-ordination of CSO efforts with government programmes, ii) enhance CSO accountability for results, and iii) improve information on CSO activities.
- c) We will work with CSOs to provide an enabling environment that maximises their contributions to development.

We will adapt aid policies for countries in fragile situations

21. In the Paris Declaration, we agreed that aid effectiveness principles apply equally to development co-operation in situations of fragility, including countries emerging from conflict, but that these principles need to be adapted to environments of weak ownership or capacity. Since then, Principles for Good International Engagement in Fragile States and Situations have been agreed. To further improve aid effectiveness in these environments, we will take the following actions:

- a) Donors will conduct joint assessments of governance and capacity and examine the causes of conflict, fragility, and insecurity—engaging developing country authorities, and other relevant stakeholders, to the maximum extent possible.
- b) At country level, donors and developing countries will agree and work on a set of realistic peace- and state-building objectives that address the root causes of conflict and fragility and help ensure the protection and participation of women. This process will be informed by international dialogue between partners and donors on these objectives as prerequisites for development.
- c) Donors will provide demand-driven, tailored and co-ordinated capacity-development support for core state functions and for early and sustained recovery. They will work with developing countries to design interim measures that are appropriately sequenced and that lead to sustainable local institutions.
- d) Donors will work on flexible, rapid and long-term funding modalities, on a pooled basis where appropriate, to i) bridge humanitarian, recovery, and longer-term development phases, and ii) support stabilisation, inclusive peace building, and the building of capable, accountable, and responsive states. In collaboration with developing countries, donors will foster partnerships with the UN System, international financial institutions, and other donors.
- e) At country level and on a voluntary basis, donors and developing countries will monitor implementation of the Principles for Good International Engagement in Fragile States and Situations, and share results as part of progress reports on implementing the Paris Declaration.

Delivering and Accounting for Development Results

22. We will be judged by the impacts that our collective efforts have on the lives of poor people. We also recognise that greater transparency and accountability for the use of development resources—domestic as well as external—are powerful drivers of progress.

We will focus on delivering results

23. We will improve our management for results by taking the following actions:

- a) Developing countries will strengthen the quality of policy design, implementation, and assessment through improving information systems, including, as appropriate, disaggregating data by sex, region, and socioeconomic status.
- b) Developing countries and donors will work to develop cost-effective results management instruments to assess and adjust the impact of development policies. We will better co-ordinate and link the various sources of information, including national statistical systems, budgeting, planning, monitoring, and country-led evaluations of policy performance.
- c) Donors will align their monitoring with country information systems. They will support, and invest in strengthening, developing countries' national statistical capacity and information systems, including those for managing aid.
- d) We will strengthen incentives to improve aid effectiveness. We will systematically review and address legal or administrative impediments to implementation of international commitments on aid effectiveness. Donors will pay more attention to delegating sufficient authority to country offices and changing organisational and staff incentives to promote behaviour in line with aid effectiveness principles.

We will be more accountable and transparent to our publics for results

24. Transparency and accountability are essential elements for development results and lie at the heart of the Paris Declaration, in which we agreed that countries and donors would become more accountable to each other and to their citizens for the use of all development resources and the results achieved. We will pursue these efforts by taking the following actions:

- a) We will make aid more transparent. Developing countries will facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures, procurement, and audits. Donors will publicly disclose regular, detailed and timely information on all their aid flows to enable more accurate budget, accounting, and audit by developing countries.
- b) We will step up our efforts to ensure that—as agreed in the Paris Declaration—mutual assessment reviews are in place by 2010 in all countries that have endorsed the Paris Declaration.
- c) Developing countries and donors will work together at the international level to strengthen existing international monitoring systems with a view to improving accountability for development results. [Note]⁶
- d) Effective and efficient use of development finances requires both donors and partner countries to do their utmost to fight corruption. Donors and developing countries will respect the principles to which they have agreed including those under the UN Convention against Corruption. Developing countries will address corruption by improving systems of investigation, legal redress, accountability, and transparency in the use of public funds. Donors will take steps in their own countries against individuals or corporations complicit in corruption, and will track, freeze, and recover illegally acquired assets.

We are changing the nature of conditionality to support ownership

25. To strengthen country ownership and improve the predictability of aid flows, donors agreed in the Paris Declaration to draw, whenever possible, their conditions from developing countries' own development policies. We reaffirm our commitment to this principle and will continue our efforts to change the nature of conditionality by taking the following actions:

⁶ [This proposal is subject to further discussions at the Accra High-Level Forum].

- a) Donors will work with developing countries to agree on a limited set of conditions that are critical to achieving mutually agreed objectives and outcomes. We will jointly assess donor and developing country performance in meeting commitments.
- b) Donors and developing countries will make public all conditions linked to disbursements.
- c) Developing countries and donors will work together at the international level to review, document, and disseminate good practices on conditionality—and will be receptive to contributions from civil society.

We will increase the medium-term predictability of aid

26. In the Paris Declaration, we agreed that greater predictability in the provision of aid flows is urgently needed to enable developing countries to effectively plan and manage their development programmes over the medium term. We will take the following actions to improve the predictability of aid:

- a) Developing countries will strengthen budget planning processes for managing domestic and external resources and will improve the linkages between expenditures and results over the medium term.
- b) Donors will provide full and timely information on annual commitments and actual disbursements so that developing countries are in a position to accurately record all aid flows in their budget estimates and their accounting systems.
- c) Each year, donors will provide each country with comprehensive estimates of aid flows they plan to provide over a 3- to 5-year period. [\[Note\]](#)⁷
- d) Developing countries and donors will work together at the international level on ways of further improving the medium-term predictability of aid, including by developing tools to measure it.

Looking Forward

27. The reforms we agree on today in Accra will require continued high-level political support, peer pressure, and co-ordinated action at global, regional, and country levels. To achieve them, we renew our commitment to the principles and targets established in the Paris Declaration, and will continue to assess progress in implementing them.

28. The commitments we have agreed today will need to be adapted to different country circumstances—including in countries in situations of fragility, small states, and middle-income countries. To this end, we encourage developing countries to design—with active support from donors—country-based action plans that set out time-bound and monitorable proposals to implement the Paris Declaration and the Accra Agenda for Action.

29. We ask the Working Party on Aid Effectiveness to continue monitoring progress on implementing the Paris Declaration and the Accra Agenda for Action and to report back to the Fourth High-Level Forum on Aid Effectiveness in December 2011. We recognise that additional work will be required to improve the methodology and indicators of progress of aid effectiveness. In 2011, we will undertake the third round of monitoring that will tell us whether we have achieved the targets for 2010 agreed in Paris in 2005.⁸

30. We ask the Secretary-General of the United Nations to transmit the conclusions of the Third High Level Forum on Aid Effectiveness to the High-Level Event on the MDG in New York later this month and the Financing for Development Review meeting in Doha in December 2008. We welcome the contribution that the ECOSOC Development Co-operation Forum is making to the international dialogue and mutual accountability on aid issues.

31. Today, more than ever, we resolve to work together to help countries across the world build the successful future all of us want to see—a future based on a shared commitment to overcome poverty, a future where no countries will depend on aid.

⁷ [\[This proposal is subject to further discussions at the Accra High-Level Forum\].](#)

⁸ We will have that information available for the fourth High Level Forum on Aid Effectiveness in 2011, along with comprehensive evaluations of the implementation of the Paris Declaration and the Accra Agenda for Action as of 2010. Attention will also be paid to improving and developing communications on aid effectiveness for long-term development success and broad-based public support.