



## *PN oWB Parliamentarians & Development Series*

# Paris Declaration on Aid Effectiveness and Accra Agenda for Action

### What are the Paris Declaration and Accra Agenda?

The *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action* seek to reform the way development aid is delivered and managed in order to strengthen its impact and effectiveness.

The *Declaration* is an agreement between more than 100 donor and recipient (partner) governments as well as international organizations including the IMF, World Bank and a number of regional development banks. Signed in March 2005 at the 2nd High-Level Forum on Aid Effectiveness, the *Declaration* seeks to accelerate the achievement of the 2015 Millennium Development Goals (MDGs) by addressing five key development cooperation principles: alignment, harmonization, managing for results, mutual accountability and ownership.

The *Accra Agenda for Action* (AAA) -- signed in 2008 at the 3rd High Level Forum on Aid Effectiveness -- builds on the commitments made in the *Paris Declaration*, setting out four further key development aid principles: conditionality, country systems, predictability, and untying aid. The *Accra Agenda* includes the input of Non-Governmental Organizations (NGOs) and Community-Based Organizations (CBOs).

To track progress made towards the principles contained in both the *Declaration* and the *Accra Agenda*, the *Task Force on Monitoring the Paris Declaration* was set up. This task force “track[s] and encourag[es] progress” towards the nine principles using a set of twelve indicators and targets.

### How do these documents affect development cooperation?

Each of the five principles set out in the *Paris Declaration* impacts on aid processes in donor countries, partner countries and International Financial Institutions (IFIs) such as the World Bank, International Monetary Fund (IMF) and regional development banks.

The implications of each *Paris Declaration* principle are discussed briefly below:

- **Ownership** - Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- **Alignment** - Donor countries align behind these objectives and use local systems.
- **Harmonization** - Donor countries coordinate, simplify procedures and share information to avoid duplication.

- **Results** - Developing countries and donors shift focus to development results, and results are measured.
- **Mutual Accountability** - Donors and partners are accountable for development results.

The *Accra Agenda for Action* builds on these commitments by laying out four further development principles:

- **Predictability** – Donors will provide three to five-year forward information on their planned aid to partner countries.
- **Country systems** – Partner country systems will be used to deliver aid as the first option, rather than donor systems.
- **Conditionality** – Donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the partner country’s own development objectives.
- **Untying aid**– Donors will relax restrictions that prevent developing countries from buying the goods and services they need from whomever and wherever they can get the best quality at the lowest price.

### **What do they say about Parliamentarians’ role in development cooperation?**

Both the *Paris Declaration* and the *Accra Agenda* clearly state that parliaments play a central role in ensuring effective development cooperation, and commit to increasing this role.

Partner countries in the *Paris Declaration* committed to strengthening the parliamentary role in defining development strategies and budgets. Donor countries committed to providing timely, transparent information to partner countries, enabling them to provide their citizens and legislatures with comprehensive budget planning and reports.

Signatories to the *Accra Agenda* state that they “acknowledge the critical role and responsibility of parliaments in ensuring country ownership of development processes” and that they will “facilitate parliamentary oversight by implementing greater transparency in public financial management...”

Donor countries, partner countries and signatory agencies to the *Accra Agenda* agreed to be “accountable to each other and to our respective parliaments and governing bodies” for outcomes outlined in both the PD and the AAA. Further, all parties concerned agreed that “donors will support efforts to increase the capacity of (...) parliaments (...) to take an active role in dialogue on development policy and the role of aid in contributing to countries’ development.”

### **What is the impact for parliamentarians and PNoWB?**

For parliamentarians, the result is clear: both the *Paris Declaration* and the *Accra Agenda* call for parliaments – donor and partner– to play an increased role in development cooperation and monitoring.

This will mean building the capacity of parliamentary economic and financial committees and using existing oversight powers and mechanisms to their fullest extent. It also means increasing inter-parliamentary cooperation. Organizations like PNoWB provide a platform for parliamentarians from both donor and partner countries to engage in open discussions, exchange best practices and learn from other countries’ successes and challenges as they seek to improve aid effectiveness.

The increased mandate for parliamentarians' role in development cooperation also presents a unique opportunity for both donor and partner countries – via their parliaments – to hold International Financial Institutions such as the World Bank accountable to the standards of aid effectiveness and accountability agreed to in the *Paris Declaration* and the *Accra Agenda*. This means giving partner countries ownership over their poverty-reduction strategies and requiring that IFIs align behind them. It also means greatly reducing aid conditionalities that come with World Bank monies and placing a new focus on monitoring the results and outcomes of World Bank programs in partner countries.

The *Paris Declaration* and *Accra Agenda* present parliamentarians with important new responsibilities and opportunities in the global effort to increase aid effectiveness and accountability. PNoWB's members have an especially important role to play in holding IFI signatories – most notably the World Bank – to account for realizing the development cooperation principles agreed to in these documents.

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