

Making aid accountable and effective

The challenge for the Third High Level Forum
on aid effectiveness. Accra, Ghana 2008

An ActionAid Ten Point Plan for real aid reform



A: SUMMARY

In September 2008, heads of governments, multilateral institutions and civil society organisations from around the world will gather in Accra, Ghana for the Third High Level Forum on aid effectiveness. Their common objective should be to reform the aid system to make it more transparent, accountable and effective at helping the poorest countries and most marginalised people in their fight against poverty and injustice.

This report sets out a Ten Point Plan for achieving the necessary reform of aid at Accra. We call on donors and southern governments to make the following vital changes to improve aid so it can effectively play its role in helping to make poverty history:

- 1 Organise real and substantive, not token, consultation processes for Accra.**
- 2 Respect real ownership of the development process, support participation, and end economic policy conditionality.**
- 3 Develop open, transparent mechanisms that allow citizens to hold their governments and donors to account for the use of aid.**
- 4 Introduce agreed, transparent, binding contracts to govern aid relationships.**
- 5 Move the aid reform process to a more representative institution than the OECD.**
- 6 Improve international accountability through a UN aid commissioner and ombudsman.**
- 7 Ensure donors adhere to the highest standards of openness and transparency.**
- 8 Ensure technical assistance is truly demand-driven.**
- 9 Allocate aid in a fair and transparent way, according to need, and improve aid predictability.**
- 10 End the scandal of tied aid.**

Around the world women and girls are disadvantaged, excluded, discriminated against, and in many cases, denied their rights. Aid cannot be deemed effective unless it tackles this central issue. Throughout this paper, we highlight that women's rights are central to the aid-quality agenda and should therefore be a main focus at Accra.

B: FROM PARIS TO ACCRA: GRASPING THE OPPORTUNITY

If aid is to work effectively for poor people, both rich donor countries and southern governments will need to radically increase their levels of accountability and transparency. In Accra, the spotlight will be on rich-country donors, who are largely unaccountable to those they are trying to help, often ineffective and bureaucratic in the way they deliver aid, and who frequently use aid to pursue their own agenda. The focus will be on how donor practices, behaviour and delivery need to change to deliver on the many promises that rich countries have made to provide the finance necessary to help make poverty history. Meeting these promises, in turn, will allow southern citizens to better hold their own governments accountable for the effective use of all resources, whether aid or domestic revenues.

In Accra, progress against the targets agreed by all major donors and many southern governments in the 2005 Paris Declaration will be reviewed. The Paris Declaration (see summary, page 5) focussed on respecting southern

ownership of the development process; aligning around national development plans; harmonising donor practices; managing better to improve results; and improving accountability. Whilst this 'Paris process' has helped focus attention on some of the many problems in the aid industry, it must deliver tangible and significant benefits to gain credibility. Public support for aid is dependent on a high level of confidence in aid quality: unless significant and tangible progress is made at Accra, including the fundamental reforms we detail below, citizens in the north and south are likely to become increasingly disillusioned with the aid system.

Expectations will be high that the Accra Agenda for Action – to be agreed by governments at the end of the forum – will recognise the need to improve and go beyond the Paris Declaration if reform is to help deliver for poor people. Southern governments have been asked to lead the agenda-setting process for Accra, and will expect their long-standing complaints about the way aid is delivered to be addressed. Civil society organisations across the world will press for the political changes and radically improved accountability that are necessary to bring about meaningful change, and will demand that key issues such as women's rights are centre stage.

The Accra Forum will be closely followed by the UN's Financing for Development conference in Doha, giving 2008 the potential to be as significant a year for public aid accountability as 2005, when millions united in a global call to action against poverty.

If Accra is to live up to these high expectations, civil society and progressive governments will have to unite to demand the necessary fundamental reforms. Yet already, donors and the OECD are attempting to close down avenues for further reform by trying to insist that Accra should merely be about monitoring progress against the limited targets of the Paris Declaration, and removing barriers to its implementation.¹

This paper sets out ActionAid's vision for Accra: that it should cement existing reform initiatives, but go much further and catalyse the fundamental overhaul of the aid system needed to help deliver on global promises to eradicate poverty, and make aid truly accountable to the southern countries and citizens it is supposed to help.

'Partnership commitments' of the Paris Declaration 2005

OWNERSHIP: "Partner countries exercise effective leadership over their development policies and strategies, and co-ordinate development actions."

ALIGNMENT: "Donors base their overall support on partner countries' national development strategies, institutions and procedures."

HARMONISATION: "Donors' actions are more harmonised, transparent and collectively effective."

MANAGING FOR RESULTS: "Managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making."

MUTUAL ACCOUNTABILITY: "Donors and partners are accountable for development results."

There are 12 indicators of progress, and 21 targets for 2010. The full text of the Paris Declaration can be found at www.oecd.org/dataoecd/11/41/34428351.pdf

Paris: a limited agenda and a flawed process

The Paris Declaration represents a useful but limited attempt to deal with persistent problems of aid delivery. Unlike many other international agreements, it includes monitorable targets, with a 2010 deadline. However, for some of the issues included in the Paris process, such as technical assistance and predictability, the targets do not go far enough, and many other key issues such as conditionality are omitted altogether. We set out the broadening and deepening of the agenda that we believe is necessary in section D.

Fundamentally, as we have argued in our *Real aid* reports² the deep-seated problems in the aid system stem from an imbalance of accountability, with 'upwards' accountability to donors prioritised over 'downwards' accountability to the poor countries and people aid is supposed to help. Section C deals with how Accra could begin an overhaul of the accountability of the aid system so that poor and marginalised women and men are put at its centre.

Recommendation 1: Organise real and substantive, not token, consultation processes for Accra

A transparent, open and properly resourced consultation process should be organised in the run up to Accra, including:

- the release of key papers early and in draft form with a civil society observer invited to all key meetings;
- the participation and consultation of civil society organisations, including women's rights organisations, and other key institutions such as parliaments, through a series of forums at national, regional and international levels;
- a structured, ongoing dialogue between civil society organisations, including women's rights organisations, and the key organising institutions for Accra;
- the comprehensive participation of civil society organisations in all stages of the High Level Forum in Accra, including drafting the final Accra Agenda for Action communiqué.

In order to improve outcomes and to build transparency, accountability and legitimacy, the Accra Forum will have to be preceded by a broad-based consultation process, including southern governments and civil society. Whilst some efforts have been made to begin such a process, meetings and documents remain closed and not transparent, and some donors are attempting to shunt civil society into a siding by insisting³ – incorrectly – that consultation will be organised by a Canadian-government led Advisory Group.

However, this group is mandated to lead on a different agenda and does not intend itself to be the focus for consultation.⁴ Civil society organisations have set out proposals for an effective, open and regular consultation process in the run up to Accra, but only a limited number have so far been agreed by the OECD.

Putting women's rights at the centre of the Accra agenda: a fundamental challenge to improving aid quality

Women are more likely to live in poverty, simply because they are women. In every country of the world, women are systematically denied their rights and as a result have less power, money, land, protection from violence and access to education and healthcare. Of the world's poor, 70% are women, as are 60% of people infected with HIV in Africa.⁵

Women's rights are a cross-cutting issue, impacting on all aspects of development. As such, women's empowerment is a prerequisite for development and poverty cannot be tackled unless the rights of women are placed centre stage. Similarly, aid cannot be deemed effective unless it tackles this central issue. Women's rights are central to the aid-quality agenda and should therefore be a main focus at Accra.

Throughout this paper, we highlight how aid reform must integrate this perspective. For example, country ownership of development programmes should be understood as being much broader than government ownership – the involvement of women and the women's movement in the

formulation and delivery of policy and programmes should be seen as an integral part of ensuring real ownership. Mutual accountability mechanisms must include space for women's rights organisations to have their say. Aid allocation must take into account the disproportionate impact of poverty on women.

Governments of the north and south have committed to tackling this issue. More than 180 governments are mutually accountable for securing women's rights through the framework of the UN's Convention on the Elimination of All Forms of Discrimination against Women (CEDAW.) There have been recent efforts to strengthen work on women's rights and aid, but a lot more needs to be done.⁶

Therefore, Accra will be a key test of the commitment of southern governments and donors to ensure that improvements to aid quality translate effectively into improvements for the women that aid is intended to help.

C: TRANSFORMING THE ACCOUNTABILITY OF THE AID SYSTEM

Recommendation 2: Respect real ownership of the development process, support participation, and end economic policy conditionality

Accra should refocus the ownership agenda on what donors and southern governments need to do to truly respect ownership and support broad-based participation in policy development and implementation.

At Accra, donors should agree to end economic policy conditionality and reduce the overall burden of conditionality.

Accra should be the moment at which donors and partner countries affirm that real country ownership requires the development of national strategies and policies with the participation of organisations representing citizens, and particularly women and marginalised groups.

It is widely accepted that ownership is the cornerstone of development – unless countries are able to decide and direct their own development paths, development will fail to be inclusive, sustainable or effective. Country ownership of development programmes should be understood as more than simply government ownership – the involvement of civil society stakeholders, including women's organisations, in the formulation and delivery of policy and programmes should be seen as an integral part of ensuring real ownership.

Too often aid has undermined rather than supported country ownership. Donors have used aid as one means of imposing economic and other policies on poor countries; funded client regimes whilst turning a blind eye to human rights abuses; bypassed the state and local control by setting up their own projects and structures; subsidised their own industries and institutions with aid money and disbursed or withheld funds according to their own preferences or schedules. Whilst many of the worst examples of these problems may have occurred in the past, they all continue in various forms, and donors should not underestimate the mistrust of their motivations and actions that this can engender among citizens, north and south.⁷

Ownership is one of the five partnership commitments of the Paris Declaration, which says donors will “Respect partner country leadership and help strengthen their capacity to exercise it,” (OECD, 2005: 3). However, the Paris indicator relating to ownership (number 1) focuses on southern countries developing national strategies, not on donor actions. Poor donor behaviour seriously undermines country ownership of development strategies, reduces policy space and negatively affects domestic accountability relationships. The reforms that we set out in section D – on issues such as allocation, untying and predictability – are vital to helping ensure that countries can take the lead in their own development process.

Of course, changes are needed in southern countries as well. The capacity of governments and citizens in the south to engage with this agenda needs to be strengthened, and southern governments need to set out open and transparent policies on how aid is to be sourced, spent, monitored and accounted for. For this, they must be accountable to their citizens with effective mechanisms of answerability and enforceability.

Financial flows from the developing world to rich countries massively outweigh aid flows in the other direction: a seminal study found that between 1970-1996, the equivalent of \$285 billion left Africa for the developed world.⁸ Some estimates put the 'ecological debt' of the north to the south – due, for example, to carbon emissions which fuel climate change – at more than \$400bn per year.⁹

Stopping conditionality that undermines ownership

ActionAid has long campaigned against the harmful and inappropriate use of policy conditionalities by many donor organisations. Such conditionalities undermine ownership and domestic accountability mechanisms, and have often had negative impacts on poverty. Our arguments have most recently been set out in our *What Progress?* report on the World Bank,¹⁰ and our *Confronting the Contradictions* report which highlights that IMF-

directed policies on low wage bills, and single-digit inflation and fiscal deficits, prevent countries from spending the needed amount on health workers and teachers.

During the negotiation of the Paris Declaration in 2005, civil society organisations called for annual reports and targets for reducing conditionalities, but these demands were ignored, and the final text has little to say on the issue. This is a glaring omission that the Accra Forum should rectify.

Recommendation 3: Develop open, transparent mechanisms that allow citizens to hold their governments and donors to account for the use of aid

The definition of indicator 12 – mutual accountability – should be broadened so that 'country-level mechanisms' for assessing progress become multi-stakeholder – including civil society, particularly women's rights organisations, parliaments, trade unions and other stakeholders. These should be open, transparent and regular, with real room for citizens of southern countries to hold their governments and donors to account.

From 'upward' to 'downward' accountability

At present, accountability in the aid relationship flows almost entirely in one direction: from recipient to donor. Donors report to their own parliaments and citizens on their use of aid money; though not always in a complete or transparent manner. When it comes to being accountable to the governments and citizens of the countries that aid is supposed to be helping, however, donors typically do little, as our *Real aid* reports have highlighted. Southern countries often have weak accountability systems, without effective mechanisms for citizens and parliaments to hold the executive to account.

Accra is a critical opportunity to take a huge step forward in developing a truly accountable aid system by instituting reform at national and international levels. Making aid accountable to southern citizens means radically improving efforts to make donors and governments *answerable* for the use of aid, and introducing new mechanisms of *enforcement* to allow poor countries to force donors to keep to the commitments they have made.

“If European governments do not improve on current performance, poor countries will have received €50 billion less from Europe by 2010 than they have been promised.” This was the verdict of a 2007 report by all the major networks, national development NGOs and NGO platforms in all 27 EU countries.¹¹

Creating ‘answerability’ mechanisms

The ‘mutual accountability’ indicator of the Paris Declaration (number 12) is the “number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness...” (OECD, 2005: 10). The 2006 baseline survey judged that only 41% of countries had such a mechanism – though this was a substantial increase on the “small minority” the OECD reported in its first internal summary of the baseline just a few months earlier (OECD DAC, 2006b: 12). This increase reflects the problems, mentioned below, of donors using their influence to massage the figures. It shows that what has been counted as an acceptable ‘mutual accountability mechanism’ is in reality no such thing, with closed discussions between donors and government

officials deemed to be sufficient to guarantee accountability.

The fact that there is so much to do in this area to meet the 2010 target should be seen as an opportunity to institute real reform and introduce proper accountability mechanisms for the use of aid at national level. Civil society organisations, including ActionAid, in countries such as Ghana, Cambodia and Kenya, have begun to organise forums to examine aid issues and hold donors and governments to account. Donors and partner governments should use Accra to affirm that these kinds of multi-stakeholder accountability forums will become standard practice, and that adequate financing will be put in place to ensure their effectiveness.

Recommendation 4: Introduce agreed, transparent, binding contracts to govern aid relationships

At Accra, donors and southern governments should agree that future aid relationships will be governed by transparent and binding agreements, within the frameworks for aid established by each southern country. These agreements should be reached after widespread consultation with parliaments and civil society, including women’s rights organisations, and should include clear donor commitments on aid volume and quality, with sanctions against donors that fail to live up to promises. The agreements should be agreed on a multi-year basis and be transparently and independently monitored.

Creating enforcement mechanisms

Accountability is ultimately about power: it describes efforts to restrain those with power and hold them to account for their actions. Efforts to make donors more answerable to the countries they are supposed to be helping are vital, but without proper mechanisms of enforcement, little is likely to change. At present, donors have very strong mechanisms to ensure that their demands are met by countries receiving their aid – they can simply turn off the taps, and withhold or delay aid, which they regularly do. Yet if donors fail to meet their commitments – which also happens on a regular basis – there is little that southern countries

can do. Even voicing complaints can risk reducing future aid flows. Southern countries should set out clearly their policy and strategy for managing aid, and donors should agree to abide by this. ActionAid has, for some time, been calling for binding, monitorable agreements between donors and partner countries to be adopted, after wide-reaching consultation, which include consequences should either side fail to meet agreed requirements. Donors should be monitored and results reported on a donor by donor basis, with the findings made publicly available in an accessible form. Developing these mechanisms will, of course, take time, so care should be taken that this does not lead to further unpredictability in the interim.

Recommendation 5: Move the aid reform process to a more representative institution than the OECD

At Accra, donors should commit to handing over control of the aid reform process from the OECD to a more representative institution in which both donors and southern countries have a stake.

For an effective agenda for aid reform to be realised, the limitations of housing the major international aid effectiveness process in a donor institution – the OECD – must also be addressed. The Paris Declaration states that “a major priority ... is to enhance mutual accountability and transparency in the use of development resources”, (OECD, 2005: 9). Accountability requires that those with power are answerable to affected citizens and that there are mechanisms of enforcement to back words with action. The OECD is in no meaningful way accountable to the southern citizens and countries that aid is supposed to help. The political nature of much of the results of the *2006 Survey on Monitoring the Paris Declaration* (OECD, 2007) – where donors exerted pressure throughout the

survey process to bend the figures to improve their performance – highlights this weakness. The OECD’s own report of this survey highlighted this problem in diplomatic language: “.. a number of National Co-ordinators perceive [that] donors have used the permitted leeway on definitions to place their performance closer to the targets than would otherwise be the case”.¹²

Handing over control of the process to a more representative institution such as the UN would signal a clear intent to take accountability seriously. If done in a coordinated manner, such as through the establishment of a UN aid commissioner (see recommendation 6) it could also help reduce some of the complexity of the international aid system.

Recommendation 6: Improve international accountability through a UN aid commissioner and ombudsman

Donors and southern governments should commit to improve international accountability mechanisms, and investigate concrete improvements, such as a UN aid commissioner and an aid ombudsman.

Accountability at the international level

We have already argued that the correct body to oversee reform of the aid system is not the OECD which is, in essence, a rich-country club. At present, donors are effectively regulated and assessed by themselves. We have campaigned for the establishment of a UN Commissioner on Aid, who would be responsible for reviewing progress against agreements to improve and increase aid, and who could act as an ombudsman to resolve disputes. The Commissioner would review aid on an ongoing basis and take action to ensure that donors and partners live up to the commitments they have made. To help ensure a proper integration of women's rights issues, the UN Commissioner should partner closely with UNDAW (Division on the Advancement of Women) and have a women's rights advisor as part of their core team.

The other essential element of improving aid accountability to southern countries is reform of the governance structures of the major international financial institutions – particularly the World Bank and International Monetary Fund (IMF) which are such powerful players across the developing world. Despite their huge influence on policy and politics in the south, southern countries have tiny percentages of shares – sub-Saharan Africa's voting share in the Fund is less than that of the UK – and only a token presence on their boards. ActionAid, along with civil society and progressive governments across the world, is campaigning for change, and demanding that far-reaching reform is agreed, including the introduction of double majority voting,¹³ before 2008.

Recommendation 7: Ensure donors adhere to the highest standards of openness and transparency

The Accra Agenda for Action should include new commitments on the part of donors to adhere to the highest standards of openness and transparency. This should include: timely dissemination of information, particularly during aid negotiations,¹⁴ and about disbursements and the adoption of a policy of automatic disclosure of all documents, with a strictly limited regime of exceptions.

Transparency: the foundation of accountability

Though the importance of transparency is highlighted in the text of the Paris Declaration, it contains no concrete or monitorable agreements from donors to improve their own transparency. One particular issue that the Paris baseline survey has highlighted is the wide variations in donor reporting to governments on how much aid they intend to disburse¹⁵ – making it difficult for southern governments to budget properly, and for civil society organisations and others to scrutinise expenditure. Other key problems that frequently arise are aid negotiations taking place behind closed doors, and the lack of publicly available

information on conditionalities. Key documents are often inaccessible, or if made publicly available, are buried on donor websites rather than being actively disseminated to affected communities in formats and languages accessible to them.

The Global Transparency Initiative,¹⁶ a coalition of civil society organisations, has recently released a Charter for International Financial Institutions, which adapts existing, widely supported, national 'freedom of information' standards. These standards should form the basis of a new agreement by donors to radically improve their transparency and information dissemination.

D: DELIVERING KEY IMPROVEMENTS TO AID

Some key issues are highlighted by the Paris Declaration, particularly the continuing scandal of ineffective technical assistance, and the unpredictability of aid that seriously undermines southern countries' efforts to plan their

development. In these areas, Accra should push the agenda forward. In other vitally important areas, such as conditionality, tied aid and aid allocation, further reform should be agreed at Accra.

Recommendation 8: Ensure technical assistance is truly demand-driven

Indicator 4 on technical assistance should be strengthened, with only partner countries deciding the extent to which it is met, and the target increased from 50% to 100% of technical assistance flows having to be demand-driven and aligned to national strategies.

Making technical assistance work

Technical Assistance caused most dispute between donors and southern partners during the baseline survey process, with southern-country governments highlighting its supply-driven nature as one of the main challenges for aid reform, and several countries refusing to agree that any donor-provided technical assistance was aligned to their national priorities.

ActionAid has set out a detailed critique of Technical Assistance in *Real aid 2*, arguing that whilst constituting between a quarter and a half of all aid, it has largely been ineffective, over-priced, donor-driven and based on an outdated model of development.¹⁷ We also set out a comprehensive programme for reform, including recommendations for southern governments, donors and civil society organisations.

Recommendation 9: Allocate aid in a fair and transparent way, according to need, and improve aid predictability

At Accra, governments should agree to develop an effective and transparent international mechanism to improve aid allocation so it goes to those most in need, and is not mis-directed geographically according to donor foreign policy objectives.

“Aid is too little to solve the problems at hand, [and is] excessively directed towards the salaries of consultants from donor countries rather than investments in recipient countries.” (Jeffrey Sachs, 2005)¹⁸

Whilst there is international consensus that aid should be about providing necessary resources for poverty eradication, aid flows rarely match need. In part this is due to the longstanding failure of all major donors to meet their 1970 UN target to provide 0.7% of national income in aid. However, it is also caused by donors directing their aid according to foreign policy priorities, favouring strategically or historically important countries, near neighbours, and issues selected by them.¹⁹ Too many countries and critical issues receive paltry aid allocations: this is a situation which all agree must change. Yet the Paris Declaration is largely silent on this critical issue.

ActionAid has advocated that aid be allocated primarily on the basis of need, with all low-income countries guaranteed a minimum annual resource transfer linked to their population and level of poverty. Poverty should be understood in its broadest sense rather than relying purely on aggregate measures of income poverty. Of particular importance is ensuring that account is taken of the poorest and most marginalised groups, and that special attention is paid to

understanding how women experience poverty, and adjusting allocations accordingly.

Radically improving predictability of aid flows

The baseline survey’s monitoring of indicator 7 – delivering predictable, long-term support – has highlighted problems on both donor and recipient sides in terms of scheduling aid into budgets. However, the unpredictability of donor finance is the key issue that Accra can tackle. Too often donors deliver aid late, or incompletely, according to their own priorities and timetables, without making sufficient efforts to respect and conform with national planning and development priorities, or the national budgeting timeframe.

Donors could make major strides by setting additional targets to deliver their budget support through multi-year, predictable and guaranteed flows, without attaching conditionalities other than those necessary to meet fiduciary responsibilities, as set out in Recommendation 5.

Recommendation 10: End the scandal of tied aid

At Accra, donors should commit to expanding the agreement on untying aid to all countries and all modalities including Technical Assistance and food aid, and set up independently monitored targets for translating this commitment into practice.

The ‘tying’ of aid to the procurement of donor goods and services inflates costs, slows down delivery and reduces the flexibility of southern countries to direct aid where it is most needed. The primary beneficiaries of this practice are firms and consultants in donor countries. Whilst donors have made some efforts to reform, they have excluded key areas such as food aid and technical

assistance from their agreements, and in practice continue to heavily direct their aid budgets to their own firms. Untying should not only make aid more flexible and effective, but should allow for the possibility of systems to prefer locally procured goods and services to ensure that more aid money remains in southern countries.

CONCLUSION

This paper has set out a bold but essential vision for Accra. At Accra, existing reform initiatives should be cemented, but governments must go much further: they must catalyse the fundamental overhaul of the aid system needed to help deliver on global promises to eradicate poverty, and make aid truly accountable to the southern countries and citizens it is supposed to help. Without adopting a far-reaching programme of reform that builds on the Paris Declaration, but goes further in the ten ways we have set out, governments of north and south risk breaking the trust of their citizens that aid should be fairly and effectively spent to help to eradicate poverty and ensure human rights for all women and men.

ENDNOTES

- 1 For example, the March 2007 Draft Concept Note for the Accra High Level Forum on Aid Effectiveness, in the section headed 'central focus' says: "Don't reinvent the wheel. The Paris Declaration already provides an agreed analytical framework, and a set of principles and commitments. The substantial additional information available should be used to address weaknesses as necessary and reinforce the agreed framework." (OECD DAC, Paper reference: DCD/DAC/EFF(2007)4, page 10)
- 2 ActionAid: *Real aid* (2005) and *Real aid 2* (2006).
- 3 Even DFID, which has been supportive of the need to organise effective consultation processes, has been confused on this point. A letter from DFID's Permanent Secretary to UK NGOs, dated 1 May 2007, said incorrectly: "A civil society consultation process has been established [for the High Level Forum] with Canada as chair."
- 4 The mandate of the group is (a) to look into the functions of civil society as development actors; (b) to facilitate a multi-stakeholder process to clarify (i) the roles of civil society in relation to the Paris Declaration; (ii) CSO aspirations to deepen the wider national and international aid effectiveness agendas; (c) to advise the Accra organising bodies on the inclusion of aid effectiveness and civil society as well as other issues to deepen the aid effectiveness agenda in the agenda of the Accra Forum.
- 5 Both figures are from the UN. More information can be found at: www.actionaid.org.uk/doc_lib/womens_rights_briefing_.pdf
- 6 In response to criticism in both the 2006 independent review of DFID's work on gender and women's empowerment, and the OECD-DAC peer review of UK aid, DFID has recently launched a new Gender Equality Action Plan to renew its efforts in this area. The World Bank has also published a new action plan: 'Gender Equality as Smart Economics' and this year the EU has launched a new Communication on Gender and Development.
- 7 It is worth remembering that the post-World War II European Recovery Programme – the 'Marshall Plan' – was extremely successful and had little discussion of policy conditionalities, institutional arrangements or capacity to absorb aid. Yet it effectively supported the rebuilding of Europe and delivered huge financial transfers that dwarf today's aid spending.
- 8 Boyce and Ndikumana, *Is Africa a net Creditor? New Estimates of Capital Flight from Severely Indebted Low Income Sub-Saharan African Countries, 1970-1996* (2000)
- 9 ActionAid: *Real aid: An Agenda for making aid work* (2005: p13)
- 10 www.actionaid.org.uk/doc_lib/what_progress.pdf
- 11 From *Hold the Applause! EU governments risk breaking aid promises* (CONCORD, Brussels, 2007). See www.concordeurope.org/Files/media/internetdocumentsENG/Aid%20watch/1-Hold_the_Applause.FINAL_.pdf
- 12 OECD: *2006 Survey on Monitoring the Paris Declaration* (2007:p 39)
- 13 Where votes in the IFIs are only passed if the appropriate majority of countries, as well as of shareholders, vote in favour.
- 14 Including draft documents.
- 15 The 2006 OECD DAC Baseline Survey found that "in the case of six donors, less than 50% of their aid is recorded in national budgets". See www.oecd.org/dataoecd/0/45/38597363.pdf
- 16 www.ifitransparency.org
- 17 ActionAid International: *Real aid 2: Making Technical Assistance Work* (Johannesburg, 2006). See www.actionaid.org/docs/real_aid2.pdf
- 18 ActionAid International: *Real Aid 2: Making Technical Assistance Work* (2006). See www.actionaid.org.uk/doc_lib/real_aid2.pdf
- 19 Furthermore The IMF, with the support of donors, has also been instrumental in limiting aid inflows. A recent report by the IMF's Independent Evaluation Office found that, between 1999 and 2005, only about \$3 in every \$10 in annual aid increases in 29 low-income African countries were programmed to be spent, largely because of unnecessarily restrictive IMF monetary policies. See www.imf.org/external/np/ieo/2007/ssa/eng/pdf/report.pdf

ActionAid is an international anti-poverty agency working in over 40 countries, taking sides with poor people to end poverty and injustice together.

ActionAid International is registered under Section 21A of the Companies Act 1973.

Registration number
2004/007117/10.

ActionAid
PostNet suite #248
Private Bag X31
Saxonwold 2132
Johannesburg
South Africa

Telephone
+27 (0) 11 731 4500

Facsimile
+27 11 880 8082

Email
Mail.jhb@actionaid.org

Website
www.actionaid.org

International Head Office
Johannesburg

Asia Region Office
Bangkok

Africa Region Office
Nairobi

Americas Region Office
Rio de Janeiro

Designed by mcreative
June 2007