The Paris Declaration on Aid Effectiveness

*Roberto Bissio**

I. Introduction: the Paris Declaration is not a global partnership for development

The Paris Declaration on Aid Effectiveness was adopted in 2005 and reaffirmed in Accra[1] in 2008 at ministerial-level forums convened by the Organisation for Economic Co-operation and Development (OECD). The principles and indicators included in the Paris Declaration frame what OECD calls a "landmark reform" in development cooperation[2] endorsed by leading development practitioners. The Paris Declaration did not emerge from the United Nations or any of its bodies, but given the high level of support that the Declaration has received from the major bilateral donors and the active engagement of key multilateral organizations such as the World Bank and OECD itself in its implementation, it is important to analyse it from the point of view of the right to development.

According to article 3 (3) of the Declaration on the Right to Development, "States have the duty to cooperate with each other in ensuring development and eliminating obstacles to development." Cooperation can take many forms, some of them explicitly described in this Declaration, but "development cooperation" is usually understood as being synonymous with official development assistance (ODA), which politicians and the press translate to the public as "aid".

The United Nations Millennium Declaration adopted by Heads of State and Government in 2000 reaffirmed that "[they are] committed to making the right to development a reality for everyone and to freeing the entire human race from want".[3] The commitments made at the Millennium Summit were later summarized in the eight Millennium Development Goals,[4] all of them extracted or literally quoted from the Millennium Declaration. Goal 8, Develop a global partnership for development, spells out what developed countries should do to enable developing countries to achieve the other seven in a set of six targets:

- Target 8.A: develop further an open trading and financial system that is rule based, predictable and non-discriminatory, and that includes a commitment to good governance, development and poverty reduction, nationally and internationally

- Target 8.B: address the least developed countries' special needs. This includes tariff- and quota-free access to markets for their exports, enhanced debt relief for heavily indebted poor countries, cancellation of official bilateral debt and more extensive official development assistance for countries committed to poverty reduction

- Target 8.C: address the special needs of landlocked and small island developing States

* Executive Director, Instituto del Tercer Mundo (Third World Institute) and Coordinator, International Secretariat of Social Watch, Uruguay.

[1] The Paris Declaration and the Accra Agenda for Action are available at www.oecd.org/dataoecd/11/41/34428351.pdf.

[2] OECD, *Development Cooperation Report 2005* (Paris, 2006), chap. 3, Aid effectiveness: three good reasons why the Paris Declaration will make a difference. Available at www.oecd.org/dataoecd/53/30/36364587.pdf.

[3] General Assembly resolution 55/2, para. 11.

[4] See www.un.org/millenniumgoals/.

- Target 8.D: deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term

- Target 8.E: in cooperation with pharmaceutical companies, provide access to affordable essential medicines in developing countries

- Target 8.F: in cooperation with the private sector, make available the benefits of new technologies—especially information and communications technologies

Goal 8 expresses the highest consensus of the international community on what developed countries' responsibilities should be and its realization would effectively discharge the duties spelled out in article 3 of the Declaration on the Right to Development, as its targets both ensure development and remove the major obstacles thereto. Yet, the targets of goal 8 are not time bound (as six of the first seven goals are) and, while monitorable, they do not make individual Governments accountable.

In March 2005 the accountability of donors was explicitly addressed—in a more restricted set of targets—by the second High-Level Forum on Aid Effectiveness convened by OECD, which adopted the Paris Declaration on Aid Effectiveness. In the Paris Declaration the signatories explicitly aim at taking "far-reaching and monitorable actions to reform the ways we deliver and manage aid" (para. 1). The Paris Declaration was supported by Governments of developed and developing countries and also by many non-governmental organizations (NGOs). The United Nations Resident Coordinator for Zambia, Aeneas Chuma, made a detailed assessment of the Paris Declaration during the official State dinner held in his honour when he left the country in 2008, in which he recognized that "it breathed new life into the development agenda after years of declining commitment; it provided the shot in the arm donors needed to redouble their efforts". Yet, he added, "We are now several years into this experiment at both global and national levels and the time is right to take a critical look at whether this experiment is delivering intended outcomes and to anticipate where it is taking us."

The third High-Level Forum on Aid Effectiveness, held in Accra in 2008, convened ministers of developing and donor countries responsible for promoting development and Heads of multilateral and bilateral development institutions in order, according to OECD, to accelerate and deepen implementation of the Paris Declaration.[5] The Accra Agenda for Action notes that "in the Paris Declaration, we agreed to develop a genuine partnership, with developing countries clearly in charge of their own development processes".[6] Since the establishment of a new "global partnership for development" is at the core of goal 8, and since "effective international cooperation" is considered "essential" by the Declaration on the Right to Development, it is important to establish whether the Paris Declaration is consistent with the right to development and, further, if the "partnership" it establishes is consistent with the Millennium Declaration and the Millennium Development Goals. The present chapter concludes that the Paris Declaration cannot be considered as coming under the rubric of "global partnerships" as envisaged under goal 8 because (a) it is not a partnership; and (b) it does not deal with any of the targets of goal 8.

A. The Paris Declaration as a partnership

The Paris Declaration was the outcome of a meeting attended by representatives of 90 countries and, by the end of 2011, 135 countries and territories, plus the European Commission, were listed on the OECD website[7] as adhering to the Paris Declaration and the Accra Agenda for Action. The Paris Declaration is a non-binding declaration and does not establish a partnership as such, since it does not constitute a contractual relationship between the signatories. The obvious asymmetries between donors and recipients are emphasized by the Paris Declaration process, negotiated outside the United Nations where all countries have, at least, equal status. Rights and responsibilities are not distributed fairly in the Paris Declaration process. Recipient countries can be penalized if they do not implement the conditionality framework (even when, in practice, only small countries are actually sanctioned), but they have no way of penalizing their donors/creditors.

Much of the discourse around the Paris Declaration is about "partnerships", and the phrase "inclusive partnerships" is now used more frequently to denote the participation of "all stakeholders" (meaning parliamentarians, foundations, the private sector and civil society). Yet, the usual language of OECD permanently distinguishes between "donor countries" and "partner countries". It is probably fair to say that while

[5] See www.oecd.org/dataoecd/58/16/41202012.pdf.
[6] Accra Declaration, para. 5.
[7] www.oecd.org/document/22/0,3746,en_2649_3236398_36074966_1_1_1_1,00.html.

not constituting a partnership itself, the Paris Declaration is an attempt to provide a common framework for the many bilateral partnerships established between ODA donors and recipients.[8]

For recipient countries, the Paris Declaration creates a new level of supranational economic governance above the World Bank and the regional development banks. The same Western Governments that contribute to ODA and significantly control the International Monetary Fund (IMF) and the World Bank comprise the OECD Development Assistance Committee (DAC). At the country level, this new international governance increases the asymmetry between the aid recipient country and its donors and creditors, which gather together as a single group in the new aid modalities described below. While this is intended to save costs and make procedures easier for the recipient country (and thus make aid more efficient), the inherent risks of such greater imbalance in negotiating power at country level are not compensated in any way by the international mechanisms set in motion by the Paris Declaration.

In a wider sense (which is the one used in this chapter), the Paris Declaration is not just the declaration signed in the French capital in 2005, but also the whole political process that started at the first High-Level Forum on Aid Effectiveness (Rome, 2003), continued at the 2005 Paris High-Level Forum (which endorsed the Paris Declaration), at the 2008 Accra High-Level Forum (which endorsed the Accra Agenda for Action), and at the fourth High-Level Forum in Busan, Republic of Korea, in 2011.[9]

Reference to those meetings as "forums" and not "conferences" or "assemblies" can be understood as an attempt to build consensus around certain principles without necessarily creating new institutions or collective contractual obligations. In describing the preparations for the third Forum, the OECD on its website, under "Management", stated that "the overall responsibility for the substance of the [third Forum] rests with the Working Party on Aid Effectiveness", which itself is described as "an international *forum* [emphasis added] in which equal numbers of bilateral donors and partner countries are represented, with participation from all the multilateral banks, the OECD, and the United Nations". Further, "under the umbrella of the Working Party, the Steering Committee, presided over by the Chair of the Working Party with the World Bank and the Government of Ghana as vice-chairs, meets on a quarterly basis to provide advice on the content of the Forum. The Core Group, comprised of the World Bank, the Government of Ghana and OECD, is undertaking much of the preparatory work, including overseeing the planning of preparatory events". Thus, while one of the three objectives of the preparatory process for the third Forum was to "build ownership of the Accra agenda", the institutional ownership clearly rested with OECD and to a lesser extent with the World Bank. This is essentially the same mechanism that was preparing for the Busan Forum.[10]

While developing and developed countries are represented in equal numbers in the Working Party, the predominant role of the World Bank and the OECD Secretariat in the process tilts the balance in favour of the developed countries. Further, in such an ad hoc body, developing countries lack the tradition and expertise of their own negotiating groups that they have put together over the years in other international negotiating forums (such as the Group of Seventy-Seven (G77) in the United Nations and several regional or interest groupings in the World Trade Organization (WTO)).

Finally, the voice of developing countries in the High-Level Forums or the Working Party is largely ineffective, since those are not decision-making bodies. The complex set of assessment criteria and even the definition of the indicators by which the Paris Declaration is being reviewed and the new conditionality packages for disbursement of ODA under new mechanisms such as direct budget support and sector-wide approaches, as well as the criteria for evaluating recipient country governance systems, are all ultimately decided upon by DAC, in a close working relationship with the World Bank.

[8] While the designation "recipient countries" has been rightly criticized by some of the right to development literature, usage of the term "partner countries" as an equivalent in the usual OECD language is particularly odd, as it seems to imply that donors and creditors are not partners in the aid process.

[9] Editor's note: The present chapter was drafted prior to the holding of the fourth High-Level Forum. Participants in Busan adopted the Busan Partnership for Effective Development Cooperation, in which they agreed to move towards a new global partnership for development effectiveness. The document establishes, for the first time, an agreed framework for development cooperation that embraces multiple stakeholders, including traditional donors, South-South cooperators, BRICS, civil society organizations and private funders. The intent was to forge a broader, more inclusive agenda since Paris and Accra, reaffirming the respective and different commitments of the various actors along with their shared principles. It was felt that while the Accra Agenda for Action recognized the importance and specificities of the new actors, the Paris Declaration failed adequately to address their complexities. Within the new context, the parties that endorsed the mutually agreed actions set out in Paris and Accra agreed in Busan to intensify their efforts to implement their respective commitments in full. This new global partnership would be facilitated by UNDP and OECD. For full information concerning the Busan meeting and its outcome, see www.oecd.org/document/12/0,3746,en_2649_3236398_46057868_1_1_1_1,00.html.

[10] See www.oecd.org.

All those instruments are still being developed and were not available when the Paris Declaration was drafted. If the Paris Declaration were some kind of legal contract, it would be null and void because the "small print" was not known by the partner countries when they signed it.

B. The Paris Declaration and Millennium Development Goal 8

The main, and almost exclusive, concern of the Paris Declaration is to "reform the ways we deliver and manage aid" (para. 1). Only one of the six targets of Millennium Development Goal 8 refers directly to aid, and it clearly demands more generous ODA for countries committed to poverty reduction. The Paris Declaration states that "while the volumes of aid and other development resources must increase to achieve [the Millennium Development Goals], aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance" (ibid.). The Paris Declaration makes no commitment to increase aid, as demanded by goal 8, but expresses the belief that more efficient aid delivery "will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the [Millennium Development Goals]" (para. 2).

Aid is of utmost importance to achieve the Goals. The Millennium Development Goals "focused on social development, and the main instrument that they incentivised was aid", summarizes Claire Melamed, Head of the Growth, Poverty and Inequality Programme of the British Overseas Development Institute.[11] It seems obvious that an increase in ODA, as requested by the Millennium Declaration and the Monterrey Consensus of the International Conference on Financing for Development[12] in 2002, would be inconsequential if that aid is ineffective or serves other purposes. Nevertheless, it cannot be forgotten that making current aid more effective is not enough, and that even increasing aid to the levels estimated by the United Nations Millennium Project (2002-2006)[13] is not enough if the international trade and financial rules are not reformed in the way envisaged by the Millennium Declaration and enshrined in goal 8.

To gain the broad ownership it claims, the whole Paris Declaration process would need to be under the auspices of the United Nations rather than OECD. As Resident Coordinator Chuma stated in his remarks:

> Concerns about the legitimacy of the Paris Declaration have resulted in Member States of the United Nations establishing a Development Cooperation Forum under ECOSOC … The Forum will try to place the aid discussion within a larger development context, in which South-South cooperation, remittances and new forms of development cooperation are emerging to give developing countries more strategic choice. It is telling that almost all of the local attention on international meetings this year has been focused on Accra, which is a donor-led process about aid. Fora such as the DCF, which offers a level playing field to all, have little oxygen left to breathe.

II. Aid effectiveness, human rights and the right to development

Human rights and the right to development in particular are not mentioned at all in the Paris Declaration. The Paris Declaration does not even reaffirm the Millennium Declaration, which emphasizes human rights and the right to development in its "values and principles" and only refers to the signatories "looking ahead" to the 2005 five-year review by the United Nations of the Millennium Declaration and the Millennium Development Goals.

To address this concern, the Workshop on Development Effectiveness in Practice: Applying the Paris Declaration to Advancing Gender Equality, Environmental Sustainability and Human Rights was held in Dublin in April 2007. A key message of the workshop, which brought together 120 participants representing DAC members, partner countries, civil society and United Nations agencies, was that "human rights, gender equality and environmental sustainability are key goals of development. They are functionally essential to achieving the ultimate goal of the Paris Declaration—increasing the impact of aid on reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the [Millennium Development Goals]".

In his closing remarks at the workshop, Ambassador Jan Cedergren (Sweden), Chair of the DAC Working Party on Aid Effectiveness, reiterated the recurring message emerging from the discussions: that gender equality, environmental sustainability and human rights are fundamental for achieving good development results. He stressed that the application of the Paris Declaration framework to those key policy

---

[11] Claire Melamed, "The Millennium Development Goals after 2015: no goals yet, please", Overseas Development Institute, Opinion 156 (21 September 2011).

[12] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (A/CONF.198/11), chap. I, resolution 1, annex.

[13] The Millennium Project estimated that twice the amount of ODA would be needed to achieve the Goals. See www.unmillenniumproject.org/.

issues would move them to the centre and serve to increase the effectiveness of aid.

Also in 2007, OECD published the *DAC Action-oriented Policy Paper on Human Rights and Development*[14] which formulates 10 principles "where harmonised donor action is of particular importance". The paper formulates recommendations, but it does not in any way modify the Paris Declaration, its goals and indicators and the conditionalities derived from them. Thus, while the point is well made that the goal of reducing poverty, if achieved, would benefit the situation of human rights on the ground, the reverse question was left open: how does the human rights framework (as well as gender equality, which is also a human right, and environmental sustainability) apply to the Paris Declaration? In other words, can the human rights legal obligations of all States (be they donors or "partners") help the principles of the Paris Declaration evolve into contractual commitments that could make it qualify as a real partnership in terms of goal 8?

The Accra Agenda for Action, which resulted from the third High-Level Forum commits "[d]eveloping countries and donors" to "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" (para. 13 c)). Yet, while talking about "reforms" in the aid effectiveness process, the Accra Agenda renewed "our commitment to the principles and targets established in the Paris Declaration" (para. 27). I underline the phrase "and targets" as it is the "small print" formulation of the targets of the Paris Declaration that contradicts the right to development with which the principles of the Paris Declaration, particularly the common-sense understanding of "ownership", seem inconsistent.

From a right to development point of view, the five principles of the Paris Declaration (ownership, alignment, harmonization, managing for results and mutual accountability) have different implications. While "ownership" and "mutual accountability" can easily be understood as a reformulation of the concepts already included in the Declaration on the Right to Development (even if downgraded from "rights" to "principles"), "alignment", "harmonization" and "managing for results" can be supportive, neutral or detrimental to the right to development, depending on how they are understood and implemented.

[14] Available at www.oecd.org/dataoecd/50/7/39350774.pdf.

III. Challenges to the incorporation of human rights into the implementation of the Paris Declaration

The Accra Agenda mentions human rights twice. It affirms that "[g]ender 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" (para. 3) and, as quoted above, promises "consistency" between development policies and programmes and human rights (and other) commitments. Since the human rights conventions are legally binding documents, the "consistency" of all national policies and programmes with them is an existing legal requirement. A policy or programme found to be inconsistent (and therefore violating) human rights would be illegal. While paying lip service to human rights and recognizing them explicitly, the carefully constructed language of the Accra Agenda avoids any responsibility in promoting human rights, in recognizing the right to development (which is not yet legally binding, as it derives from a declaration and not from a convention), or in creating any new commitments that could be construed as "entitlements" of developing countries or, symmetrically, as binding obligations of donor countries.

Thus, for example, OECD takes pride in the fact that "back in 1996, the DAC pioneered the International Development Goals as concrete targets in its *Shaping the 21st Century* report, stating it was time to 'select, taking account of the many targets discussed and agreed at international fora, a limited number of indicators of success by which our efforts can be judged'".[15]

The publication *2000—A Better World for All: Progress Towards the International Development Goals*, published jointly by OECD, IMF, the World Bank and the United Nations, is mentioned by DAC as an immediate precedent of the Millennium Development Goals. And, in fact, that report included the first seven goals which later in the year became the Millennium Development Goals. The report was heavily criticized by civil society organizations and by developing countries during the twenty-fourth special session of the General Assembly on the five-year review of the World Summit for Social Development

[15] OECD-DAC, *Shaping the 21st Century: The Contribution of Development Co-operation* (Paris, May 1996), p. 2, available at www.oecd.org/dataoecd/23/35/2508761.pdf.

precisely for not including any commitments by developed countries to support the achievement of those goals, and it was only after the inclusion of goal 8 that the Millennium Development Goal "package" became consensual. Yet, even as goal 8 has largely been recognized as a necessary condition for the achievement of the other seven goals, it lacks time-bound targets for the implementation of the responsibilities of developed countries.

IV. Operational analysis of the Paris Declaration and human rights

The Paris Declaration includes 12 Indicators of Progress "[t]o be measured nationally and monitored internationally", which are in turn subdivided into 17 targets for 2010. Those targets, and not just the principles, were explicitly reaffirmed by the Accra Agenda for Action: "We renew our commitment to the principles and targets established in the Paris Declaration, and will continue to assess progress in implementing them" (para. 27). The formulation of these targets has several major implications for human rights standards and obligations.

From a conceptual point of view, the positive linkage between the Paris Declaration and human rights has been made by pointing out that the intended result of the Paris Declaration is to make aid more effective for the achievement of the Millennium Development Goals and that this is equivalent to the progressive realization of social and economic rights. Yet, none of the targets makes reference to those desired results; they only refer to how aid is managed and delivered and to several preconditions that developing countries have to meet. Thus, whether the implementation of the Paris Declaration actually produces the intended positive human rights and development results is out of the scope of the official review, monitoring and evaluation. This is a major flaw.

In actual fact, many of the targets set in the Paris Declaration, if achieved as currently defined, could result in substantial erosion of the right to development of "partner" countries, since the definition and indicators of the targets frequently contradict the announced principles, as will be demonstrated below.

V. The Paris Declaration: the small print behind the targets

A. Ownership

Indicator 1 is the only indicator on "ownership", defined as "Partners have operational development strategies" (including poverty reduction strategies (PRSs)), and the target for 2010 was for "[a]t least 75% of partner countries" to have them.

Poverty reduction strategies have been requested from low-income developing countries for many years as a precondition to applications for debt relief, and they require the approval of the World Bank and IMF. However, as described below, bilateral and multilateral donors have a decisive say in the formulation of those strategies and are frequently said to "steer the Government from within"[16]—through their financing arrangements for direct budget support (DBS), Sector-Wide Approaches (SWAps), etc.

If countries do not have a national development strategy, donors have nothing with which to align or harmonize their aid. But national ownership is defined, tautologically, as countries having plans that conform to what the donor wishes, as articulated in conditionalities attached to loans and grants. According to a study by the Government of the Netherlands, "donors—particularly the international financial institutions—are limiting the scope for [devolving more control and accountability for the policy and aid to the Government] by interfering intensively with the PRSP [poverty reduction strategy papers] and with macro and sector policies".[17]

"Operational development strategies", as defined by the Paris Declaration, do not include Government plans, national legislation or any other nationally generated "policy, legislative and other measures" as required by the Declaration on the Right to Development in its article 10, but are documents negotiated between the recipient countries (usually the finance or planning ministry) and its donors and creditors.

Civil society and trade unions have often opposed the PRS precisely because external actors influence the

[16] Interview with Nancy Alexander, Director of the Citizens' Network on Essential Services, a project of the Tides Center, Silver Spring, Maryland, United States of America.

[17] The Netherlands Ministry of Foreign Affairs, "From project aid towards sector support : an evaluation of the sector-wide approach in Dutch bilateral aid 1998-2005", IOB Evaluations, No. 301, Policy and Operations Evaluation Department (November 2006), p. 132.

content of the strategy by, among other things, rating systems such as the World Bank's Country Policy and Institutional Assessment (CPIA), which the indicators of the Paris Declaration use intensively (see below). There is little or no civil society or legislative input to the macroeconomic dimension of PRSs and IMF and the World Bank usually define their own means (e.g., privatization, liberalization) to PRS goals.

The Paris Declaration calls for a joint assistance strategy (JAS) and joint analysis supported by many donors/creditors, but most of the analysis and strategic planning for lending to a country remains with the World Bank, which is almost always the coordinator of the donors at national level. In practice, JAS is a new name for the old CAS (country assistance strategy) of the World Bank (see the comment on indicator 10 below). JASs are owned by donors/creditors rather than by the recipient countries that formally sign off on them.

Further, programmatic aid facilitates corruption in ways that "projectized" aid does not. Unlike projects in which each dollar is allocated for a particular use, programmatic aid (DBS, SWAps and country procurement) involves large infusions of donor/creditor financing that supports a general policy framework. Accountability of the donor country aid agencies to their own citizens and taxpayers is also undermined, since a pool of money formed by a variety of donor contributions is much more difficult to follow and assess than specific projects. Those disadvantages are not compensated by greater recipient-country accountability or by new mechanisms for tracking the results of the pooled aid, since, as will be shown below, those are non-existent in the Paris Declaration.

A comparative review of the implementation of the Paris Declaration in seven countries (Cambodia, Kenya, Malawi, Nepal, Rwanda, Sierra Leone and the United Republic of Tanzania) carried out by the international non-governmental organization (NGO) ActionAid shows that while "many of the countries reviewed are making positive efforts to comply with the principles" of the Paris Declaration, "[t]he low quality and level of inclusiveness and participation of [civil society organizations] and citizens emerge as concrete and serious problems".[18] Such considerations led Resident Coordinator Chuma in his remarks referred to above to conclude that "in my experience in Zambia, the Paris Declaration and its local variants [are] weakest on precisely those aspects of the development encounter that could best promote actual national ownership over the content of development". Undermining national capacity to design a country's own development strategy, parliamentary ability to oversee those plans and democratic control by civil society can amount to a violation of the right to development as well as civil and political rights. According to Chuma, "what we appear to have is more national donorship than national ownership".

B. Alignment

Indicator 2, the first to assess the "alignment" principle, requires "[r]eliable country systems" and is measured by the "[n]umber of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these". This target is clearly not about aligning ODA with the recipient-country strategies, but about aligning country governance with the requirements of donors/creditors.

The Paris Declaration Indicators of Progress track and score the performance of public financial management systems (i.e., financial management, budget execution, auditing). The performance of each Government's Public Financial Management (PFM) system is rated by the World Bank's Country Policy and Institutional Assessment as well as the Public Expenditure and Financial Accountability (PEFA) partnership. The World Bank uses CPIA to provide an annual rating of each Government's performance in 16 policy areas, including PFM. The PEFA partnership of donors and creditors provides another input to the Paris Declaration PFM indicator.

According to the World Bank, the purpose of CPIA is to measure a country's policy and institutional development framework for poverty reduction, sustainable growth and effective use of development assistance. These ratings are used to allocate aid and credit, design policy conditionality and establish debt ceilings.

The view of many critics is that "CPIA rates the extent to which a government has: a) adopted neoliberal economic policies (i.e., liberalization and privatization in the context of strict budget discipline) and b) developed institutions, particularly those that protect property rights and promote a business-friendly environment".[19] There is no participation whatsoever of

[18] ActionAid, "Is the implementation of the Aid Effectiveness agenda reducing aid dependency?" (June 2011).

[19] Nancy Alexander, "Judge and jury: the World Bank's scorecard for borrowing governments" in *Social Watch*, 2004, available at unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN018179.pdf.

developing countries in the definition of the criteria that result in better grading by CPIA or in the designation of the experts in charge of assigning the grades.

The Paris Declaration indicators also track and score the procurement systems of each recipient country. The explicit goal of eliminating corruption is consistent with the promotion of human rights, but no other human rights values are attached to the use of country systems and none of the criteria to assess them explicitly support the practice of requiring suppliers to adhere to core labour standards. The use of Government procurement as a tool of affirmative action in favour of local producers or of vulnerable sectors of the population (small businesses, cooperatives, female- or minority-run firms) is an established practice to contribute to the progressive realization of economic, social and cultural rights, but such policies are deemed to be "discriminatory" against foreign firms and explicitly forbidden.

OECD has developed a methodology for assessment of national procurement systems, based on indicators derived from an OECD-DAC/World Bank round table, which sets out "compliance and performance indicators" for partner countries. Among those, sub-indicator 1 (d) "assesses the participation and selection polices to ensure that they are non discriminatory. As a general principle, firms, *including qualified foreign firms* [emphasis added], should not be excluded from participating in a tendering process for reasons other than lack of qualifications".[20]

For some procurement, countries may and frequently do elect to engage foreign firms, but for donors/creditors to insist on international competition for all procurement over a certain dollar level is inappropriate. Industrialized countries gained economic strength by using procurement to strengthen local economic development, and the Paris Declaration curbs this practice.

The opening up of procurement to foreign firms "applies to all procurement (goods, works and services, including consulting services) undertaken using public funds" and "to all public bodies and sub-national governments and entities" including "the army, defence or similar expenditures, autonomous or specialized state owned enterprises".[21] This is a standard that OECD countries do not meet themselves. All national security-related expenditures in developed countries are normally excluded from the transparency norms that apply to other Government expenditures and defence-related trade is explicitly excluded from WTO regulations. To impose transparency conditions on security-related expenditures in developing countries interferes with their sovereignty in ways OECD countries would not allow to be applied to themselves.

The procurement standards attached to the Paris Declaration go beyond the transparency in procurement that developed countries demanded from developing countries in WTO as part of the so-called "Singapore issues". Those requests were widely rejected by developing countries at the Fifth WTO Ministerial Conference in Cancun, Mexico, in 2003 as being contrary to their right to development, despite the fact that the procurement policies of many developing countries contain transparency principles, because of the fear that international restrictions on national procurement could lead to complete liberalization and the forcible opening of national procurement to foreign bidders. By imposing such a condition in the small print of the partner countries' obligations, the Paris Declaration limits the policy options of the recipient country to prefer domestic providers and thereby uses Government procurement as part of an industrial policy or as an element to promote production in certain regions or employment of vulnerable sectors of society.

The use of country procurement systems is very controversial. For instance, in the United States it is a high priority of the National Foreign Trade Council to stop the use of country procurement systems, claiming that country systems are inferior to those of donor countries and prone to corruption. The Council does not believe that country systems can guarantee United States corporations competitive access to bidding and urged that the World Bank not use country systems, as that would "abrogate the World Bank's responsibility to continue to set high and appropriate standards for procurement and ensure effective oversight of the procurement process".[22]

The cross-country comparative research by ActionAid found that "donors are unwilling to use country systems when it comes to procurement"[23] and that local companies are discriminated against because of their capacity constraints or requirements they are unable to meet.

[20] OECD, *Methodology for Assessment of National Procurement Systems (Based on Indicators from OECD-DAC/World Bank Round Table*, version 4 (17 July 2006), p. 11.

[21] Ibid., p. 9.

[22] Letter to Paul D. Wolfowitz, President of the World Bank, dated 25 May 2005, available at www.nftc.org/default/Trade%20Policy/Trade_Policy/May%2025%202005%20Letter%20to%20World%20Bank%20President-Elect%20Wolfowitz.pdf.

[23] ActionAid, "Aid effectiveness agenda reducing aid dependency?", p. 13.

According to the Paris Declaration small print, even after having made the effort to get an A or B score, the targets under indicator 5b are only for a reduction of two thirds or one third, respectively, in the percentage of aid to the public sector not using partner countries' procurement systems by 2010. At the same time, if countries reform their procurement systems as required, foreign firms would not only be allowed to compete for ODA contracts but would get access to a major share of the national budgets generated by taxes from nationals. The net result in terms of the proportion of Government procurement spent at home could even be negative. The language of "non-discrimination" (among firms) in this context means the opposite of the "affirmative action" required by human rights norms to ensure non-discrimination among people.

"In many developing countries, public procurement accounts for over 20% of GDP, making it the largest public expenditure after wages" states a study by an expert of the independent Bolivian research institute CEDLA (Centro de Estudios para el Desarrollo Laboral y Agraria).[24] This study finds that the Government of Bolivia has "rules like DS 181, which try to encourage the participation of the private sector in the national bidding processes, primarily small and medium producers".

Those principles, targeted at promoting the Bolivian private sector, come into direct conflict with the principles and practices of the World Bank and the Inter-American Development Bank. Those institutions insist on using their own procurement systems, and not those of Bolivia, because the public procurement system in Bolivia is negatively evaluated from the standpoint of the OECD methodology. These two were identified by the study as the donors that make the greatest use of their own procurement systems and, at the same time, as "particularly keen on promoting the liberalization of the procurement market".

The study found that the OECD methodology for assessment of national procurement systems is being recommended by the Group of Development Partners in Bolivia "as a condition to start providing budget support". This methodology "is based on donor-defined best practices, and its implementation could therefore result in a package of reforms for the national system, which would be promoted as part of the alignment process. Based on the processes underway and the policies of different players …, the reforms would in all likelihood lead to complete liberalization of the public procurement market". That would be a major setback for the efforts by Bolivia to promote its own private sector and, therefore, to its right to development.

Indicator 3 is the only one in the "alignment" section of the Paris Declaration that specifically requires that "[a]id flows are aligned on national priorities". Yet, this is to be measured by the "[p]ercent of aid flows to the government sector that is reported on partners' national budgets". While reporting ODA inflows in national budgets can be helpful to simplify monitoring, both by donor/creditors and by national parliaments or citizens, it does not guarantee by itself that those flows, or the budget itself, are consistent with national priorities.

Indicator 4 aims to "[s]trengthen capacity by co-ordinated support" and is measured by the percentage of capacity-development support provided by donors through coordinated programmes consistent with partners' national development strategies, with a target of 50 per cent of technical cooperation flows doing so by 2010. This indicator has proved particularly difficult to assess, owing to the lack of a common definition among donors of what constitutes "technical cooperation". It is important that the concept be defined properly so as to curb the practice of replacing local expertise with much more expensive foreign services that are not attuned to the local realities.

Indicators 5a and 5b call for the measurement of the actual use by donors of the recipient country's financial management and procurement systems, which should increase according to the "score" of those systems, as defined in the discussion of indicator 2. Even when a country procurement system achieves an A score (and very few countries do), a substantial part of the donors' aid to the public system may still be disbursed outside the recipient country system. All the comments made above for indicator 2 apply here.

Realization of indicator 6 is intended to "[s]trengthen capacity by avoiding parallel implementation structures" and the target is to reduce by two thirds the stock of parallel project implementation units. This is consistent with the pressure of the Paris Declaration on donors and creditors to shift from projectized aid to programme aid.

[24] Juan Luis Espada Vedia, *Procurement, Tied Aid and Country Systems in Bolivia* (Brussels, European Network on Debt and Development (Eurodad), May 2011). Available at www.eurodad.org/uploadedFiles/Whats_New/Reports/BoliviaFINAL.pdf.

Indicator 7 calls for ODA to be "more predictable", which should be measured by the percentage of aid disbursements released according to agreed schedules in annual or multi-year frameworks. Yet the target for 2010 is only to "halve the proportion of aid not disbursed within the fiscal year for which it was scheduled" (an unambitious target!), with no mention of longer-term commitments.

Donors and creditors have such unpredictable aid that, in some circumstances, its late arrival constitutes a major external shock to the economy of the "partner". The unpredictability of ODA is one of the major problems limiting the use of aid to achieve the Millennium Development Goals. Promoting the realization of economic, social and cultural rights and achieving the Goals implies essentially more and better delivery of public services (in particular health, education and water) to the poor, which in turn requires hiring doctors and nurses, teachers and hydraulic engineers. However, there is ample evidence from the IMF Independent Evaluation Office that the Fund imposes inflation targets and fiscal limits on Government spending that often result in suppressing Governments' ability to hire key personnel.[25] Moreover, Governments are not able to commence hiring or spending on additional wages and salaries because of volatile, unpredictable and unreliable aid inflows.

According to a study published by Social Watch:

> The 2007 UN MDG progress report shows that adequate resources are still not being made available to countries in a predictable way. Genuinely predictable long-term aid is not being delivered. Donors are still—by and large—unable to commit to three-year budget support cycles that would facilitate medium-term expenditure framework planning. In practice, even longer-term commitments would be necessary to assure partner governments that they have a stable source of financing for MDG-related recurrent costs of social and other public services. Social security types of expenditures need to be predictable, continuous, and not subject to the "stop-go" features of aid politics.[26]

Further, the study notes:

> [E]xperience shows that budget support, and especially general budget support, is especially vulnerable when there is a deterioration in political relations. This undermines budget support as a long-term instrument. Apart from immediate disruptive effects, it makes partner governments less likely to treat budget support as a reliable source of financing for medium and long-term planning, and this in turn may undermine some of the distinctive benefits of budget support.

Donors can also stop the flow of aid when a Government fails to meet the conditions contained in the Performance Assessment Framework (PAF) attached to budget support agreements. It is ironic that the goal to make aid less volatile and more predictable does not in any way limit or discipline the power of donors to pull the plug from recipient Government budgets, as IMF currently does.[27] According to the Evaluation Service of the United Kingdom Department for International Development (DFID): "This implies a danger for 'stop-go' resource allocations from donors to the partner countries, and this may have serious, devastating effects on the development in the partner countries. Apparently, however, such risks are not sufficiently analysed and discussed, neither among the donors, nor among the partner countries."[28]

The modest target associated with indicator 7 does not ensure that this situation will be corrected in the near future.

Indicator 8 has as its goal the untying of aid and the measure is the percentage of aid that is untied, yet the target for 2010 is only "[c]ontinued progress over time", without specific figures.

Together with unpredictability, the tying of ODA is one of the major factors reducing aid efficiency. The percentage of tied aid over total aid can be as high as 69 per cent for Italy and 57 per cent for the United States. The Washington-based Center for Global Development estimates that "tying raises the cost of aid projects a typical 15–30%".[29]

Untying aid is probably the single most important factor that could contribute to aid efficiency, and one that depends only on donors. Failure to include untying of aid among the binding targets in the Paris Declaration does not help to build credibility in the process among "partner" countries.

C. Harmonization

Indicator 9 calls upon donors to use common arrangements or procedures, as measured by the percentage of aid provided as programme-based approaches, e.g., Direct Budget Support and

[25] Independent Evaluation Office of the IMF, *The IMF and Aid to Sub-Saharan Africa* (Washington, D.C., March 2007).

[26] Rebecca Carter and Stephen Lister, "Budget support: as good as the strategy it finances", *Social Watch*, 2007, available at http://old.socialwatch.org/en/informesTematicos/124.html.

[27] Nancy Alexander, "The new aid model: implications for the aid system", mimeo (September 2007).

[28] Evaluation Service of the Department for International Development, *Evaluating Coordination and Complementarity of Country Strategy Papers with National Development Priorities* (Brussels, Evaluation Services of the European Union, 2006), p. 44.

[29] David Roodman, "An index of donor performance", Center for Global Development, Working Paper No. 67, revised October 2011, p. 11. Available at www.cgdev.org/files/3646_file_Roodman_Aid_2011.pdf.

Sector-Wide Approaches or Poverty Reduction Support Credits. The target for 2010 is for 66 per cent of aid flows to be provided in the context of programme-based approaches from a baseline of 43 per cent in 2005. The Netherlands already channels approximately 70 per cent of its development assistance through sectoral and general budget support. DFID disburses approximately 50 per cent of its development assistance through budget support and approximately 25 per cent through SWAps.

As of June 2006, the World Bank had provided approximately 40 per cent of its new lending through budget support. In fiscal year 2005/2006, the Bank committed funding to 46 operations using these approaches in 28 countries; and in Bangladesh, Brazil, Malawi, Morocco, Nepal, Nicaragua, the Philippines, Poland and the United Republic of Tanzania, the Bank has supported more than one sector-wide approach.

The sectors that move quickly toward a SWAp are health, education, and water and sanitation. But SWAps are increasingly being used not only for single sectors, but also for multiple sectors and cross-cutting institutional areas such as private sector development, justice and law and order.[30]

DBS and SWAps are believed to reduce transaction costs, increase efficiency in public spending, lead to greater predictability in aid flows and ensure greater convergence of ODA with public funds. The Netherlands, which has undertaken an extensive assessment of its engagement in DBS and SWAps, found that in "the education sector in Zambia ... the number of donor support accounts managed by the Ministry declined from about 800 in 1999 to 10 in 2004. The number of donor missions in the sector per annual (sic) also declined: from about 120 to about ten."[31] However, a case study on Zambia[32] challenges the notion that transaction costs necessarily decline when shifting from projectized to sector-wide approaches.

The critique of SWAps[33] centres on the fact that they focus predominantly on the "supply side" dimensions of service delivery rather than the "demand side". The implications of this problem are significant. For instance, if donors create a "basket fund" for a sector that ring-fences a minimum percentage of total resources for delivery of a particular local service, then it is essential that the specified service be a priority of the local government that receives the earmarked resources.

In part, the solution to this fundamental problem lies in implementing policy dialogue to bridge the macro-meso-micro (or national-state-local) divide. The dialogue should have this vertical dimension (national-regional-local); a horizontal dimension that embraces tripartite social dialogue; and an external-domestic dialogue between donors and creditors, on the one hand, and domestic constituencies, on the other.

In practice, SWAps have come to be perceived by many donors and partner Governments not as a multi-stakeholder process, but as a specific public expenditure programme funded by a select group of donors. The focus is on the national Government's policy and budgetary framework rather than on the diverse set of actors engaged in the sector.

Sector strategies are "highly influenced by donor priorities. They tend to be technical, uniform documents, which lack an in-depth insight into local (political) dynamics. Proposed solutions are often based on experiences elsewhere, including the donor countries' own systems, which usually do not reflect the local dynamics at hand".[34]

While most SWAps are negotiated for traditional sectors, such as education, health and water supply, others focus on a theme, such as private sector development. In the case of Ghana,[35] donors and consultants were aggressive in terms of forging a private sector development strategy to which the Government would agree. The Ministry for Private Sector Development was staffed with eight donor-funded consultants and five civil servants. Attempts to form a private sector strategy "pooled fund" floundered since the majority of donors were funding the private sector directly and bypassing Government. Donors also rejected the Government's initial procurement plans and, ultimately, the Government had to use a World Bank template for procurement that was utterly

30 OECD, *2006 Survey on Monitoring the Paris Declaration: Overview of the Results* (Paris, 2007).

31 Cited in A/HRC/8 /WG.2/TF/CRP.7, para. 64.

32 Patrick Watt, *Transaction Costs in Aid: Case Studies of Sector Wide Approaches in Zambia and Senegal* (UNDP, Human Development Report 2005, Occasional Paper 2005/26).

33 Ellen van Reesch, "Bridging the macro-micro gap: micro-meso-macro linkages in the context of sector-wide approaches" (2007).

34 Ibid.

35 Lindsay Whitfield and Emily Jones, "Ghana: the political dimensions of aid dependence", Global Economic Governance Programme, GEG Working Paper 2007/32, updated February 2008. Available at www.globaleconomicgovernance.org/wp-content/uploads/Whitfield%20Jones%20Final.pdf.

unsuited to the small-scale purchasing required by the projects.

Donors are rhetorically in favour of Government ownership, but in practice they openly disagreed with the Government of Ghana's priorities for funding: "Ministry staff went in circles trying to get a prioritisation that the donors would approve."[36] Furthermore, transaction costs were very high.

Indicator 10 calls upon donors to collaborate in (a) field missions and/or (b) country analytic work, including diagnostic reviews. The 2010 targets are: (a) 40 per cent of donor missions to the field are to be joint missions (up from the 2005 baseline of 18 per cent) and (b) 66 per cent of country analytic work is to be joint analysis (up from a baseline of 42 per cent).

In addition, donors and creditors are preparing World Bank-led joint assistance strategies. Historically, the World Bank prepares a CAS for each recipient country that outlines the institution's investment plan over the medium term, e.g., three years. Increasingly, however, the Bank participates in formulating joint assistance strategies with other donors and creditors. In the case of the United Republic of Tanzania, 35 countries and multilateral organizations of the Development Partners Group endorsed and/or adopted the joint assistance strategy for the country.

One danger of such harmonization is that once a joint assistance strategy has been approved by such a large number of donors, after lengthy negotiations, it becomes "written in stone", making it impossible for any democratic country-driven process to change it, undermining the power of parliament (and even the executive branch of Government) to introduce changes if practice demonstrates that they are needed and therefore eroding local democracy and human rights.

Another danger is further empowerment of the World Bank relative to other donors that take a less ideological view of development. A concern expressed by diplomats participating in a retreat on financing for development organized by the Friedrich-Ebert-Stiftung in New York on 4 and 5 October 2007 "is that the donor coordination process may impede innovation by donors and reduce the range of choice of programs by aid recipients. There is value in competition among donors, especially with the entry of new donors, who have not signed on to the Paris Declaration".[37]

D. Managing for results

Indicator 11 aims at having "[r]esults-oriented frameworks" by reducing "the proportion of countries without transparent and monitorable performance assessment frameworks by one- third". All DBS programmes and SWAps have a corresponding PAF with policy conditions. Parliaments and citizens' groups are not meaningfully involved in the construction of the Framework, although it spells out the requirements for the release of successive budget tranches.

In budget support operations already in place by the World Bank, the policy conditions attached to World Bank budget support loans or grants are derived from the Framework. These conditions involve lengthy negotiations with a variety of bilateral and multilateral donors. Civil society advocacy and even parliamentary participation in decision-making becomes virtually impossible, since the elimination or modification of conditionality would need to be pursued not only with the recipient Government, but also with multiple donors and creditors.

Contrary to what "managing for results" might suggest, the "results" upon which disbursements are tied are not measured in terms of poverty reduction or Millennium Development Goal achievement, but only refer to governance and macroeconomic policies. "Results management" will be deemed successful if those policies are in place, even if poverty actually increases, which has frequently been the case in the past when similar structural adjustment programmes have been implemented without proper social impact assessments and "safety nets".

E. Mutual accountability

Indicator 12 is the only one about "[m]utual accountability", one of the five principles of the Paris Declaration. It should be measured by the "number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration", and the target for 2010 is that all partner countries should have "mutual assessment reviews" in place.

[36] Ibid., p. 18.

[37] Barry Herman, Frank Schroeder and Eva Hanfstaengl, "Challenges in financing for development: policy issues for the Doha Conference" (Friedrich-Ebert-Stiftung, 2007), p. 6. Available at library.fes.de/pdf-files/iez/global/06133.pdf.

Thus, one of the key principles of the Paris Declaration is reduced in its implementation to separate exercises to be conducted at country level in the recipient countries.

Considering the experience of OECD/DAC in conducting "peer reviews" of donors' aid practices, one would expect a mutual accountability exercise to be undertaken at the international level, with opportunities for developing countries to be advised by international NGOs and other experts and to share experiences among themselves about the performance of donors individually or collectively. A country-level exercise, where the aid-recipient country sits in front of the whole set of its donors, implies an enormous imbalance of power and resources. The developing country can easily be made accountable for its part in the "partnership" under threat of seeing its aid cut or reduced, but the donors can hardly be made accountable for any eventual shortcomings. The sum of those reviews cannot be expected to add up to a fair "mutual accountability" exercise.

Further, in the standard-setting and "scorekeeping" bodies of the Paris Declaration, neither developing countries nor any international institution where the interests of developing countries are predominant are represented; instead, it is essentially OECD and the World Bank that predominate, even when it is recipient-country Governments, not donors, that are penalized if those standards are not met.

VI. Towards development effectiveness

The above analysis of key Paris Declaration indicators underscores their close connections to governance, particularly in the fields of Government procurement and financial management. Yet, while major changes in recipient-country governance are demanded, donors have not made comparable shifts in their own practices, e.g., by untying aid or making it more predictable. Indeed, the new aid modalities, by aligning bilateral and multilateral donors around certain governance requirements, might even undermine local democratic processes and the "policy space" that developing country Governments need to make their own plans. In such instances, the modalities might in fact undermine efforts toward the realization of the right to development.

Indeed, while there is congruence and synergy between the principles of country ownership and mutual accountability with the right to development, the implementation and assessment of the principles may result in violations of the right to development. At present, insurance, complaint mechanisms and exceptions are lacking. Mutual accountability reviews should be conducted at the international level and not at country level, with the participation of international civil society organizations with development and human rights expertise. The Economic and Social Council Development Cooperation Forum was created by the 2005 World Summit[38] to enhance the implementation of the internationally agreed development goals, including the Millennium Development Goals, and promote dialogue to find effective ways to support them. The Forum would discuss issues relating to effectiveness and coherence and provide policy guidance and recommendations on how to improve international development cooperation. It could become an adequate mechanism for mutual accountability and should be identified as such explicitly. Developing countries, civil society organizations and international organizations, such as the United Nations Conference on Trade and Development (UNCTAD), should be included in the groups and consultations that define the implementation criteria, targets and review of ODA. Exceptions have to be provided in the Paris Declaration conditionality to address circumstances in which the Paris Declaration criteria might undermine the right to development or other human rights, similar to the WTO exemptions.

The civil society organizations interacting with the official preparatory process of the fourth High-Level Forum on Aid Effectiveness in 2011 explicitly demanded "development effectiveness" as an alternative to "aid effectiveness". Acting as a coalition named BetterAid,[39] these groups expect development effectiveness to measure international cooperation for its outcomes in terms of development rather than for the transfer of money; moreover, the coalition argues that such effectiveness should be strengthened "through practices based on human rights standards".

To that end, the key goal of this civil society coalition is to end conditionality: "Policy conditionality fundamentally undermines democratic ownership and the right to development." Instead, "Scope for alternative and nationally developed policy choices should be guaranteed."[40] Approaches to aid that link it directly to results have been developed by, for

[38] See General Assembly resolution 60/1.
[39] See membership and other details at www.betteraid.org.
[40] BetterAid, "CSOs on the road to Busan: key messages and proposals" (April 2011), p. 4. Available at www.cso-effectiveness.org/IMG/pdf/cso_asks_final_.pdf.

example, the Washington-based Center for Global Development.[41] Those mechanisms drastically reduce transaction costs and only require evidence of results to trigger the cash transfer. "How are we going to enforce conditionalities if we do that?", the representative of a major development agency inquired candidly. With conditionality abandoned as a policy tool, development assistance would no longer call for Governments to adjust their policies to donor wishes in areas unrelated to the aid's specific objectives. Instead, BetterAid argues, "Only fiduciary conditions, which are negotiated in a transparent and inclusive manner with mechanisms for public monitoring, ought to be attached to development assistance."[42]

ODA, even in the form of budget support, does not operate in this way under the current criteria of "aid effectiveness", and the current agenda of and discourse on aid have resisted such conceptual and practical reorientations. Nonetheless, the critique of conditionalities is having an impact. During a meeting in Paris in 2010 between the members of BetterAid and the Governments and intergovernmental organizations that form the Working Party on Aid Effectiveness, the poor reputation of conditionalities was noted: "Conditionalities have indeed a bad name lately and we are seriously considering … using another term",[43] announced a participant. Needless to say, it was the practice and not the name that BetterAid was criticizing. After having peaked in 2010 at $129 billion,[44] ODA from members of DAC declined, in absolute terms and as a percentage of GDP, during 2011. This is due to a combination of budget cuts, changes in accounting[45] and a trend towards tying ODA to hiring services or buying products from the donor country.

VII. Conclusion

Development cooperation is essential for promoting the right to development. Article 3.3 of the Declaration makes it mandatory: "States have the duty to cooperate with each other in ensuring development and eliminating obstacles to development." Moreover, article 4.2 stipulates: "As a complement to the efforts of developing countries, effective international cooperation is essential in providing these countries with appropriate means and facilities to foster their comprehensive development." The Paris Declaration on Aid Effectiveness honours that stipulation in its title. The principles spelled out by the Paris Declaration, starting with "national ownership", seem consistent with the right to development principles of "sovereign equality, interdependence, mutual interest and co-operation among all States" (art. 3 (3)).

However, the Paris Declaration contributes only indirectly to the fulfilment of these principles. While relatively minor gains might be obtained from avoiding duplication in delivery and simplifying reporting, the main causes of aid inefficiency (i.e., tied aid and unpredictability of aid income) are not properly addressed in the Paris Declaration. By concentrating political and diplomatic energies around a limited agenda, it draws attention away from the need to build global development partnerships around the still largely unmet commitments of Millennium Development Goal 8.

Indeed, as this chapter has discussed, the Paris Declaration does not in itself constitute a partnership. Rather, it brings together national and international actors in the aid cycle under extremely asymmetrical conditions and does not spell out corresponding rights and obligations. As a framework for bilateral relations between donors and creditors, on the one hand, and individual aid-recipient countries, on the other, the Paris Declaration fails to provide institutional mechanisms to address the asymmetries in power. Institutional ownership of the Paris Declaration process rests with the Development Assistance Committee of the Organisation for Economic Co-operation and Development and the World Bank, where donors and creditors have exclusive or majority control, with developing countries having little or no voice or vote.

The practice of the Paris Declaration and the detailed definition of its principles given by the World Bank and OECD can limit the policy space of developing countries instead of removing obstacles to development. This has important ramifications for the right to development: while some Paris Declaration principles (national ownership and mutual accountability) can be supportive of the right to development, the practical implementation of the Paris Declaration and the attendant objectives, as spelled out in its indicators, can in practice work against the right to development and erode national democratic processes. The end result is "donorship and not national ownership". In particular, by rein-

[41] See Alex Ergo and Ingo Puhl, "TrAid+ channeling development asssistance to results", Center for Global Development, Working Paper 247 (Washington, D.C., March 2011).

[42] BetterAid, "CSOs on the road to Busan", p. 4.

[43] The meeting was held, as they usually are in this process, under Chatham House rules: participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s) may be revealed.

[44] OECD/DAC, "Development aid reaches an historic high in 2010", available at www.oecd.org/document/35/0,3746,en_2649_34447_47515235_1_1_1_1,00.html.

[45] To consider migrant and peacekeeping operation expenses as ODA, whereas these expenses had not previously been counted as such.

forcing the policy conditionalities attached to ODA and unifying the OECD donors in a single front, the Paris Declaration reduces the options of developing countries and imposes on them a "one size fits all" model. The administrative costs of ODA disbursements might be lowered, but the "development effectiveness" of the assistance is diminished. To counterbalance such developments, the Development Cooperation Forum is important: this emerging site of collaboration has the legitimacy and moral authority to bring together key North-South actors, as well as to support crucial South-South cooperation in a genuine dialogue not mediated by power asymmetries. It is such dialogue and such collaboration that are required to make the right to development a reality in the coming years.