

Is the Paris Declaration effective in the fight against poverty?

“The world’s 450 million smallholder farms, of two hectares or less, are often efficient producers on a yield-per-hectare basis. They have the potential to be even more productive, providing income and employment to the ultra-poor, both men and women, throughout the developing world: Do the commitments of the Paris Declaration support this?”

The Paris Declaration in 2005 was a watershed in formalising and refocusing efforts to develop an international plan of action for improving the effectiveness of aid and its contribution to development. It was generated by an evolving crisis of confidence in the field of aid in the 1990s, as recognised by donors, partner countries, citizens and civil society. It was recognised that joint actions were needed, based on a series of ‘partnership commitments’ between countries and “partners” to make aid more effective, to make development efforts in general more effective and to reach the agreed upon MDGs. It committed both countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. The 56 partnership commitments are organised around the five key principles:

- ownership,
- alignment,
- harmonisation,
- managing for results, and
- mutual accountability.

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Agriculture as a key indicator of the effectiveness of the Paris Declaration

Agriculture offers important perspectives on the application of the Paris partnership commitments, both as a sector with the potential to have a major effect on poverty alleviation and as a sector receiving aid. Empirical evidence shows that agricultural growth is at least 2.5 times more effective in increasing the available expenditure for the poorest third of the population than investments in the rest of the economy (World Bank: WDR 2008).

As presented in the World Development Report 2008, agriculture based economies’, i.e. the majority of developing nations, macro-economic development is spurred by agricultural development. Yet the proportion of official development assistance to agriculture has fallen to less than 3 percent from 18 percent of all aid in 1979.

1. Ownership: “Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions”

Rural people lack voice and are not adequately represented in national processes causing policy biases that lead to distortions and serious ownership gaps (Platform CSO study). Weak rural institutions and limited rural participation and lack of trust between governments and civil society organisations (CSOs) have created ownership ‘gaps’ in policy formulation, strategies

and resource allocation, often discriminating rural stakeholders.

In several countries (Ghana, Kenya, Uganda, Zambia and Tanzania) joint assistance strategies (JASs), which have included the agricultural sector, have been led by Government. In Mozambique, Tanzania, Vietnam, Nicaragua, Bolivia, poverty reduction strategies are in place and sector strategies are being developed. All policies need to reflect on the (difficult) political choices (e.g. between consumers and producers or sectors) and on the need for more stakeholder and more inter-ministerial dialogue and enhanced capacities for such political choices are required.

Donors must develop their support programmes for the agricultural sector in line with national strategies.



2. Alignment: “Donors base their overall support on partner countries’ national development strategies, institutions and procedures”

This fundamental aspect of the Paris Declaration recognises the difficulties caused by high levels of non-aligned international contributions that often counterbalance the country level priority setting and subsequent parliamentary allocation of budgets for (subsistence) agriculture and rural development issues, gender and environment. Usually, there is a lack of a clear line of sight between Poverty Reduction Strategies (PRS) and sector strategies, resulting in a weak integration of sector priorities into national (budget) processes. In Tanzania, donor commitment to alignment as a basic principle proved instrumental in getting donors and government through some difficult, even confrontational times as the Joint Assistance Strategy (JAS) evolved.

3. Harmonisation: “Donors’ actions are more harmonised, transparent and collectively effective”

In countries where JAS and SWAps (Sector-wide approaches) have been initiated by partner countries (Honduras, Mozambique, Nicaragua, Uganda, Vietnam, Tanzania, Ghana, Kenya, and Zambia) for the agricultural sector,

Private Foundations and Philanthropists have increasingly become important sources of finance and investment in African agriculture. China, Brazil and India have also fast become reliable agricultural investment partners. As such the financing for development should recognise the diversity of financing partners: private and public foundations; the traditional donors; role of such philanthropic entities like the AGRA, including productive utilisation of foreign diaspora remittances (growing to over 300 billion USD and surpassing ODA in some countries). The influence of new donor/actors on the collective efficacy of donor support to agriculture needs further analysis and reflection.

multilateral and bilateral donors have developed their support programmes in line with those national strategies. This has also facilitated the use of country systems for financial management and national procurement. There remains a need for clear concepts for donors to act in a harmonised manner in the agricultural sector: e.g. there is a need to distinguish between rural development throughout a specific area and agricultural development as an economic sector.

There is concern that the amount of time and resources being devoted to build the process architecture is imposing additional burdens on a weak civil service and is at the cost of ensuring that existing and new resources are delivering more effective investments and services in rural areas. Political statements on harmonisation are not adequately backed by changing internal processes and incentives of both donors and development partners. This was a key topic of discussion at the Accra High Level Forum in September 2008.

4. Managing for results: “Managing resources and improving decision-making for results”

All over the world, tight budgets and demanding citizens put governments under increasing pressure to show

that they are providing good value for money. Stakeholders push partner country governments and donor agencies to demonstrate results and the effectiveness of aid. It is MfDR (Managing for Developing Results) that serves as the crucial basis to make this mutual relationship become real. The establishment of national level agricultural performance targets remains a key requirement to assess progress to agricultural targets and justify the aid allocations by donors. Civil society can play an important role in establishing and monitoring those targets. Capacity development at partner country level and raising political awareness are the primary elements of future support.

5. Mutual accountability: “Donors and partners are accountable for development results”

The Paris Declaration recognises that for aid to become truly effective, stronger and more balanced, accountability mechanisms are required at different levels. At the international level, the Paris Declaration constitutes a mechanism which donors and recipients of aid are held mutually accountable to each other and compliance in meeting the commitments will be publicly monitored. At the country level, the Paris Declaration encourages donors and partners to jointly assess mutual progress in implementing agreed commitments on aid effectiveness by making best use of local mechanisms. In addition, both donors and recipients force each other to demonstrate that they meet their commitments and promises. The domestic accountability of partner country governments and donor agencies to their respective publics is complemented by mutual accountability between donors and recipients. Yet within agriculture, civil society organisations are insufficiently involved in the process of assessing accountability of either the donor or the partner country and, outside the parliamentary process, there are no obvious fora. Moreover, outside the memorandums of understanding of SWAps there are few initia-



Photo: IFAD

The effect of the food price crisis

To realise their potential, smallholder farmers need help. Many are net buyers of food. The cost of fertilisers and other important inputs has risen, but higher food prices do not always filter down to the farm gate, where many poor farmers must sell. To increase their yields, they need access to microfinance to pay for fertiliser, seeds, and tools. They need access to technology to boost productivity. Many depend on land to which they do not have clear title. Now, with the value of that land growing, they need secure land tenure. They also need access to water, roads, and market information to get the best prices for what they sell. All this requires the effective use of aid and highlights the need for donors to 'align' their 'harmonised' interventions with country plans (ownership) and ensure that the intended 'results' are clearly stated and attainable and so ensuring the 'accountability' for those results being achieved.

tives to establish parameters of performance and delivery by donors and partner countries.

Accra and beyond

The Third High Level Forum on Aid Effectiveness (Third HLF) held in Accra (September 2-4th) was intended to review the progress of the Paris Declaration in improving aid effectiveness. As well, Accra recognises that it is necessary to broaden the dialogue to new actors outside the 'classic' donor-government model. Fundamentally however, accelerated progress on the Paris Declaration requires political leadership, on all sides, to chart a course for continuing international action on aid effectiveness.

The Paris Declaration will stand or fall according to whether it results in

benefits to people, and especially the ultra poor people, in partner countries (*Draft Progress Report on Aid Effectiveness*, July 2, 2008).

It has shifted the debate about how to make aid effective in a way that has empowered those partner countries that have the capacity and will to take a stronger leadership role in working with donors. It has created an authoritative set of aims and standards against which the practices of all donors are being assessed, as are the aid management practices of governments in partner countries. It has helped partner countries to hold donors to higher standards of practice and empowered reformers within donor agencies. It has also created a set of commitments against which partners and donors can be called to account by Parliaments, informed citizens and civil society organisations.

Zusammenfassung

In der Pariser Erklärung von 2005 haben sich Entwicklungsländer und Geber verpflichtet, ihre Bemühungen um die Eigenverantwortung (Ownership), die Ausrichtung auf die Entwicklungsstrategien der Partnerländer (Alignment), Harmonisierung, Einführung eines wirkungsorientierten Managements und gegenseitige Rechenschaftspflicht zu verstärken. Die weltweit 450 Millionen landwirtschaftlichen Kleinbetriebe bieten Möglichkeiten für die Erfüllung der Pariser Erklärung und gleichzeitig Einkommens- und Beschäftigungschancen für die extrem arme Bevölkerung. In Honduras, Mosambik, Uganda, Vietnam, Tansania und Sambia entwickeln die Geber ihre Programme in Übereinstimmung mit den nationalen Strategien und Systemen, z. B. hinsichtlich Finanzmanagement und Beschaffung. Schwache Institutionen des ländlichen Raums und eine beschränkte Teilhabe der ländlichen Bevölkerung an den politischen Prozessen haben jedoch zu mangelnder „Ownership“ bei der Formulierung politischer Strategien und der Mittelzuteilung geführt.

Resumen

La Declaración de París de 2005 ha comprometido tanto a los donantes como a los países beneficiarios a incrementar sus esfuerzos en torno a la apropiación (*ownership*), el alineamiento, la armonización, la gestión basada en resultados y la mutua rendición de cuentas. Las pequeñas explotaciones agrícolas en todo el mundo – que suman 450 millones – ofrecen buenas perspectivas para la implementación de los compromisos asumidos en la Declaración de París, pues tienen el potencial de proveer ingresos y empleo para los ultra-pobres. En Honduras, Mozambique, Uganda, Vietnam, Tanzania y Zambia, los donantes han establecido programas que se alinean con las estrategias y los sistemas nacionales, por ejemplo respecto de la gestión financiera y las adquisiciones. Pero la debilidad de las instituciones rurales y la limitada participación de la población rural en los procesos de la política nacional han creado "vacíos" de apropiación en la formulación de políticas y la asignación de recursos.



Photo: IFAD

The food price crisis requires even more "aligned" and "harmonised" use of aid.