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Multilateral Development Cooperation and the Paris Process: The Road to Busan

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“We cannot reverse the economic predicament of the poor across the world by withholding from them the great advantages of contemporary technology, the well-established efficiency of international trade and exchange, and the social as well as economic merits of living in an open society. Rather, the main issue is how to make good use of the remarkable benefits of economic intercourse and technological progress in a way that pays adequate attention to the interests of the deprived and the underdog” (Sen 2002).

Amartya Sen

Abstract

The High Level Forum on Aid Effectiveness faces new challenges. To inform its participants about the multilateral dimension of development cooperation this chapter describes the state of play in the development arena in the wake of multiple crises that have damaged the prospects of global poverty reduction; engages critically with the assumptions that underlie the contemporary rationale for bilateral and multilateral aid; probes the aid delivery dilemmas that must be tackled to achieve Paris Declaration objectives; examines trends in aid allocations; identifies key findings from recent aid performance assessments; and assesses evaluation arrangements. It concludes that the multilateral share of core official aid resources is eroding even though multilateral development agencies have a comparative advantage in the provision of global and regional public goods; are better equipped to address development policy issues beyond aid and are on the whole more effective at aid delivery than most bilateral agencies. This trend is unlikely to be reversed unless the multilateral agencies adopt needed reforms and independent evaluation processes are established to verify that they deliver relevant development results efficiently.

Introduction

In pursuit of greater aid effectiveness, most aid donors and over sixty developing countries subscribed to the Paris Declaration of 2005. Three years later and after follow up meetings in Rome and Paris, the Third High Level Forum on Aid Effectiveness (HLF-3) held in Accra (Ghana) urged all development partners to deepen their commitment to the Paris Principles and accelerate the pace of their policy reforms.

Since Accra, global financial, food and fuel crises of unprecedented severity have raised the bar for aid effectiveness. Industrial democracies’ electorates bruised by severe budget cuts wonder whether “aid works” and deserves funding. The time has come to reconsider the developmental goals, resource allocation protocols and operational standards that shape the division of labour in development cooperation (Dissanayake 2011).

The aid architecture is cumbersome; new private and civil society actors have joined the development scene; global funds and programs have proliferated and the centre of gravity of the global economy has shifted. Many of the large and successful emerging market countries are now donors but they do not operate under the umbrella of the Development Assistance
Committee of the Organisation for Economic Cooperation and Development (OECD-DAC). Accordingly, the Fourth High Level Forum (HLF-4) that will take place in Busan (Korea) in November-December 2011 should broaden the scope of its deliberations and involve all donors in order to address a broad range of obstacles to effective development cooperation.

HLF-4 will only be relevant if it addresses contemporary development challenges; identifies an appropriate division of labour between bilateral and multilateral agencies; draws the implications for aid allocations and encourages reforms that will make a real difference to development cooperation prospects.

This is a tall order but collective action is urgently needed to restore public trust in development cooperation. Most ministers of developing and developed countries concerned with development have joined the HLF-4 process. Leaders of major bilateral and multilateral development assistance agencies, private foundations and civil society organizations are also expected to participate.

Thus, HLF-4 will be broadly representative of the development community and endowed with the legitimacy it needs to revisit aid policy directions and forge the consensus that demanding institutional reforms imply. This chapter addresses ten challenges that HLF-4 should tackle to help ensure that the multilateral development cooperation system lives up to its promise.

The Paris Declaration and the MDGs
Unsurprisingly, the Paris Declaration (2005) is closely connected to the Millennium Development Goals (MDGs) solemnly endorsed at the United Nations Financing for Development Conference (Monterrey, Mexico, 2002):

- By specifying a wide range of socio-economic indicators, the new development consensus displaced economic growth as the main objective of development and enshrined a holistic human development framework adapted to the circumstances of individual countries. In turn, the Paris Declaration highlighted that donors should align their support with partner countries’ national development strategies.

- By stressing the concept of ownership, the MDGs shifted the primary locus of responsibility for development effectiveness to aid recipients (ownership). Similarly, under the Paris Declaration donors undertook to respect developing country government leadership and to help strengthen their capacity to exercise it responsibly and efficiently.

- By drawing a distinction between country ownership and government ownership, poverty reduction strategy paper guidelines prescribed participatory processes involving civil society and the private sector (partnership). Equally, mutual accountability was central to the Paris Declaration which encourages participation of civil society and the private sector.

- By setting up elaborate mechanisms for monitoring the progress of developing countries towards the MDGs the Monterrey Consensus consolidated the results.

1 The recognition that key emerging-market countries were not adequately represented in global policy debates led to the creation of the increasingly influential G-20 made up of finance ministers and central bank governors of 19 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, United States of America) and the European Union.

2 This may have contributed to the fragmentation of the aid architecture by discouraging fulsome involvement of countries that insist on state dominance over the development process (e.g. China).
orientation of the development agenda. Along the same lines the Paris Declaration had emphasized managing for results and identified indicators of aid quality applicable to all donors.

**Challenge # 1: Renew the global commitment to development cooperation**

Since 2005, disillusion about the capacity of the international community to mobilize the resources and political will to meet the MDGs has become widespread. Hopes for a development round in international trade negotiations have been dashed and the prospects that a climate change agreement would be reached have faded. Following the 2008 financial crisis, world trade contracted, foreign investment flows towards developing countries declined and migration opportunities shrank (Coricelli 2010). These conditions will substantially impact poverty long-term: 71 million fewer people will escape extreme poverty by 2020 (World Bank 2010b).

The overarching challenge facing HLF-4 is to restore confidence in development cooperation. In a recent interview, Brian Atwood, Chair of the OECD-DAC, pointed to the increasing recognition of the complexity of development and the need for aid and other policies to address global challenges and ensure positive and sustainable development outcomes in developing countries (ECDPM 2011). But at the same time, donors are facing extreme budgetary pressures and their focus is on shorter-term, quantifiable and measurable results.

The aid momentum generated by the G8 leaders’ commitment to double aid to Africa and to eliminate outstanding debts of the poorest countries agreed upon during the 2005 Gleneagles Summit has been interrupted. Official aid statistics for 2010 imply a shortfall of about US$19 billion compared with the promises made in 2005. Only a little over US$1 billion of the shortfall can be attributed to lower than expected gross national income (GNI) levels due to the economic crisis (DCD-DAC 2011). The remaining gap is due to failure to meet official development assistance (ODA) commitments. In real terms, aid is estimated at 0.33 percent of GNI – less than half the 0.7 percent target solemnly pledged by OECD countries in the 1970’s.³

Forward projections of aid commitments are even more worrisome. Country programmable aid (CPA)⁴ is planned to grow at a real rate of 2% per year from 2011 to 2013, compared to 8% per year on average over the past three years. For bilateral aid only, the projected increase is 1.3% per year. The deceleration will be especially sharp for low income countries and for Africa, where CPA is projected to increase at about 1% per year in real terms, compared to a 13% annual growth rate in the past three years. Thus, additional aid to these countries is likely to be outpaced by population increases.

**Challenge #2: Shift the focus from aid effectiveness to development effectiveness**

It has become increasingly clear that aid alone cannot be expected to deliver on the promise of the MDGs. Non-aid links have become major mechanisms of resource transfer that are dwarfing the ‘money’ impact of aid and creating new and powerful connections between rich and poor countries (as well as among poor countries) and aid would have a far greater impact in combination with global policy reforms:

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³ A week’s worth of interest on these amounts could save the half million of poor women who needlessly die of childbirth every year according to Oxfam.

⁴ CPA excludes non-programmable items such as humanitarian aid, debt relief, and in-donor costs like administrative costs and refugees in donor countries.
• Developing countries’ exports (about $5.8 trillion) are 45 times the level of official aid flows (IMF 2011; WTO 2010).
• Remittances from migrants ($283 billion) are 2.2 times as large as aid flows\(^5\) (World Bank 2008).
• Foreign direct investment ($594 billion) is 4.6 times as large as aid flows (World Bank 2010a).
• Royalty and licence fees paid by developing countries to developed countries ($27 billion) are over a fourth of aid flows (World Bank 2009).
• The huge damage to developing countries caused by climate change as a result of OECD countries’ unsustainable environmental practices is getting worse given rapid growth in emerging market countries (UNFCC 2007).

On the OECD-DAC website,\(^6\) after highlighting the severity of the protracted financial, food, fuel and climate crises, Brian Atwood concludes that “the development paradigm has not shifted enough” and that the “the Fourth High Level on Aid Effectiveness is about much more than aid” (Atwood 2011). This amounts to a significant reorientation of the HLF-4 agenda from aid effectiveness to development effectiveness.

Whereas the Paris Declaration defines aid effectiveness pragmatically in terms of aid delivery norms (local ownership, alignment with countries’ development strategies, harmonization of practices, reduced transaction costs and fragmentation, increased predictability and result orientation) donors have always recognized that aid cannot achieve its ambitious goals unless the enabling environment is favorable and other resources are marshaled to contribute to development.

A thematic study on the Paris Declaration offered two useful definitions of development effectiveness (Stern et al. 2005). The first one describes the intent of development interventions: “the achievement of sustainable development results related to MDGs that have country level impacts and discernable results on the lives of the poor”. The second one focuses on enhancing the means to achieve development goals: “the capability of states and other development actors to transform societies in order to achieve positive and sustainable development outcomes.”

Beyond semantic distinctions development effectiveness implies a heightened concern with the impact of non-aid policies on development, the critical importance of strengthening the development capacities of beneficiary countries and the acknowledgment that beyond development, aid donor governments have a wide range of instruments at their disposal including humanitarian assistance, security, diplomacy, trade, investment, migration and intellectual property that can be used in complement or in contradiction to major consequences for development outcomes (Lockhart 2004).

Focusing HLF-4 on development effectiveness would further strengthen the links between the Paris Declaration. By acknowledging that policy coherence for development\(^7\) should be taken into account in the design of development cooperation strategies, it would align HLF-4

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\(^5\) Remittance flows to developing countries stood at $283 billion in 2008 according to the World Bank (2008a) which projected them to dip slightly in 2009 and more than fully recover in 2010.

\(^6\) www.oecd.org/dac

\(^7\) “Policy coherence for development is the consistency of policy objectives and instruments applied by OECD countries individually or collectively in the light of their combined effects on developing countries” (Fukusaku and Hirata 1995).
with MDG8 which aims to develop a global partnership for development and which commits
developed countries not only to provide more and better quality aid but also to address
international trade, finance and investment policy constraints that hinder the achievement of
all the MDGs.

**Challenge # 3: Adapt the development paradigm to current realities**

New information and communication technologies have increased the flow of ideas, goods,
services, capital, and people across borders. But these technologies have also increased
instability, insecurity and illegality. Economic and financial shocks are now transmitted
instantly throughout the world. The cascading disasters that devastated Japan in the wake of
the March 11, 2011 tsunami (and the radioactive plumes over its stricken nuclear power
station) have disrupted economic activity throughout the world and roiled international
markets.

From the perspective of the poor, the critical role of development cooperation lies in giving
globalization a human face. Food security (aggravated by price increases caused by
misguided fuel subsidies) is back on the international agenda: about 925 million people go to
bed hungry every night, of which only 19 million live in developed countries (Hunger Notes 2011). Developing countries account for 93 percent of the worldwide burden of disease yet
represents only 11 percent of global health spending (Schieber and Maeda 1999). The rate of
global warming has also accelerated.

The human security paradigm bridges the distinctive human security models promoted by
Canada and Japan. In Kofi Annan’s words it “encompasses human rights, good governance,
access to education and health care and ensuring that each individual has opportunities and
choices to fulfil his or her own potential” (UN 2000). Amartya Sen, as Co-Chair of the
Commission for Human Security, opined that “human security as an idea fruitfully
supplements the expansionist perspective of human development by directly paying attention
to what are sometimes called downside risks...”

It is relevant for future assessments of the division of labour among multilateral and bilateral
agencies to discriminate between risks that are genuinely transnational in character and those
that can be adopted without affecting other states. Managing the former category of risks
without excessive bureaucracy by opting for decentralised implementation and independent
verification yields a distinct comparative advantage.

In the fluid and interconnected global system the weakest link creates problems for all. This
is illustrated by the concentration of contemporary warfare in fragile states and the spill over
of violence across borders. In 18 poor countries, warfare has prevailed for more than half the
time during the past two decades (Picciotto et al. 2005). Fragile and conflict prone countries
have become a privileged focus of development cooperation under the High Level Forum
(HLF) process. Thus, in terms of aid allocations, tackling the “aid orphan” problem is an acid
test of aid effectiveness for HLF-4.

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8 According to the World Bank, unrest due to food scarcity has affected 33 countries. Protests about food price
rises, some of them violent, have taken place in Bolivia, Cameroon, Egypt, Haiti, Indonesia, Ivory Coast,
Mauritania, Mozambique, Senegal, Uzbekistan and Yemen (World Bank 2008b).
9 Canada has stressed the protection of human rights (freedom from fear) while Japan (and the UNDP) have
emphasized the economic and social development dimension (freedom from want).
10 [www.humansecurity-chs.org/](http://www.humansecurity-chs.org/)
**Challenge #4: Encourage the provision of global and regional public goods**

A reconsideration of HLF processes will have to come to terms with the fact that in the foreseeable future a host of global and regional threats induced by massive political, social and technological change will damage development prospects so that without enhanced development cooperation to address such threats it will be impossible to effectively deal with hunger, disease, pollution, climate change, financial stability, regional conflict, international crime, or terrorism.

These “*problems without passports*” constitute the most serious obstacles to equitable and sustainable development: the problems of some have become the problems of all. They cannot be tackled one country at a time or by one country alone. Effective solutions require multilateral cooperation. In the words of Kofi Annan “*ours is a world in which no individual and no country exist in isolation. All of us live simultaneously in our own communities and in the world at large*” (Annan 2002).

Similarly, Richard N. Haas, President of the Council on Foreign Relations, a United States think tank, announced: “*we are all multilateralists now (or at least need to be)*” (Haas 2010). Given the evolving development cooperation context, the case for multilateralism has been considerably strengthened: states must join together if they are to achieve the shared objectives of international peace and prosperity and they should allocate resources for the delivery of global and regional public goods.

Typically, donor countries have financed programs for global and regional public goods not as core activities of international agencies, but through ad hoc programs that they control thus marginalizing developing countries. The legitimacy of these arrangements is somewhat enhanced when multilateral organizations that combine convening power, policy research capacity and outreach to developing countries are used as platforms for program design and administration.

Ad-hoc funding of vertical programs managed by multilateral institutions amounted to US$14 billion in 2008 (OECD-DAC 2010). It has added to the fragmentation of aid interventions and it has not always been aligned with partner governments’ processes or respected their programmatic priorities. Moreover, participation of developing countries in program oversight and management has often been limited (Lele and Gerrard 2003).

To be sure, not all development problems require multilateral solutions. Some of the risks associated with economic growth (for example land erosion in a watershed fully within a country’s borders) are purely territorial and may have no discernible impact on other states. They can readily be handled through projects funded by bilateral donors. But other major risks (e.g. climate change) are inherently non-territorial and can only be managed through multilateral action.

Still other risks (like infectious diseases or itinerant terrorists) can be isolated through border controls (quarantine). But such controls create inconvenience and unintended costs (such as a reduction in travel for business and tourism). If they are not exercised — for example if an infected passenger (or a terrorist) originates in (or passes through) a state that does not exercise effective border controls — a global pandemic or a spectacular violent act may ensue, with far reaching consequences across national borders.
In such circumstances, norm setting and multilateral action become imperative. In sum, without multilateral cooperation achieved through a variety of institutional forms involving governments, the private sector and civil society, the effectiveness of development cooperation will be undermined.

**Challenge # 5: Adopt flexible approaches to multilateralism**

Development cooperation today is highly fragmented while the international economy is increasingly integrated. The resulting complexity of contemporary international relations explains both the diversity of aid delivery channels and the institutional patchwork of the development system. The multilateral system is not only an assemblage of intergovernmental bodies. It also encompasses international regimes, norms, laws and networks (both formal and informal) that regulate collective decision making and behavior.\(^{11}\)

While classic multilateralism calls for universality, inclusiveness is not always compatible with effectiveness. In principle, universal multilateralism is the best way to overcome the obstacles that stand in the way of international peace and prosperity in an interconnected world especially where policy dialogue and norm setting are required and economies of scale matter. But in practice large multilateral groupings do not possess sufficient legitimacy, transparency or capacity to reconcile diverse interests.

State-centric international conventions set precise principles of conduct, regulate behaviour and coordinate action. They are open to challenge by a wide range of influential private and voluntary associations and groups. They are not always complied with since they restrain freedom of action, imply reciprocity that may not be forthcoming and raise expectations, often unmet, that joint action will yield a rough equivalence of benefits to all participants (Ruggie 1993).

Recent experience confirms that binding, comprehensive global agreements run against powerful special interests and fail to materialize. For example it has not been possible to make significant progress with respect to agricultural protectionism, nuclear proliferation, climate change or the harmonization of national tax regimes. Absent ties of loyalty, trust and shared values, the larger and more diverse the group, the harder it becomes to achieve consensus: getting all 192 UN members to agree on what needs to be done (let alone how to go about doing it) is rarely feasible.

From this perspective traditional multilateralism that imposes universal constraints on governments is not a panacea. Partial multilateralism, while a second best, is sometimes the only feasible solution. More generally, in order to minimize transaction costs and information asymmetries, the management and the funding of development activities is best left to the lowest level at which it can be handled efficiently, or in other words, in line with the principle of subsidiarity.

This has given rise to a pragmatic approach to global diplomacy that entails assembling the smallest number of parties necessary to have a positive impact on a given problem (“minilateralism”) (Naim 2009). Reliance on this approach has spread: failing universal

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\(^{11}\) Being designed to enhance the effectiveness of international development cooperation through standard setting, regular monitoring and sharing of good practices the High Level Forum on Aid Effectiveness is itself a multilateral institution. Indeed, the advent of a crowded development scene populated by a diverse cast of actors creates an opportunity for the High Level Forum (HLF) to emerge as a lynchpin of the emerging development architecture.
agreement on collective norms, regional development institutions and networks have sprouted while “functional multilateralism” has brought together coalitions of the willing committed to the pursuit of a specific development objective.

In parallel, “informal multilateralism” has taken the form of ad-hoc and nimble groupings of state and non-state actors engaged in knowledge sharing and the formulation of good practice standards. Flexible networks that bring together coalitions of governments, private sector representatives and voluntary groups can induce development cooperation through adherence to common goals, principles and practices.

Collaborative programs that share knowledge and generate good practice standards have proliferated. Some of these programs have been voluntary and based in the private sector. Others have been embedded within international organizations. Still others have been handled by coalitions of states under the aegis of specialized United Nations agencies.

These networks rarely aim at formal agreements. They generally consist of informal and voluntary partnership arrangements geared to the search of collaborative solutions to common problems and the design of good practice standards. To connect with them the traditional unitary state is being transformed into a “disaggregated” state. It allows government officials sufficient latitude to interact with their counterparts in other countries, the civil society and the private sector.

In this context, the challenge faced by HLF-4 is to ensure that the bewildering diversity of these networks complies with Paris Declaration principles and that developing countries are adequately represented in the governance of global and regional programs so that the voices of the poorest and the weakest are heard in development policy debates.

Challenge #6: Involve all development actors
The management of globalization is a shared responsibility. But national governments are not the only actors. The private sector has been adept at working across borders. Corporate globalization has been instrumental in shaping trade, investment, and financial flows. Equally, limits on the process have been set by a civic globalization movement. It has contested the market-driven model, embraced human rights and operated on a global scale using the same information and communications technologies as multinational firms.

Indeed, as national borders have become more porous and the private and voluntary sectors more influential, governments have had to let go of some of their influence. More often than not they have had to limit their interventions to a moderating role designed to screen the most negative effects on their citizens. In this new operating environment, the management of network effects has required formal or informal agreements between the public, private, and voluntary sectors.

Many new players have appeared on the development scene. Emerging market economies, private foundations and vertical thematic funds have joined the fray. While they are offering new partnership options to developing countries, the resulting sprawl has contributed to the very fragmentation and administrative burdens that the Paris Declaration was designed to
contain. The BRICS (Brazil, Russia, India, China and South Africa) do not report their aid to the DAC\textsuperscript{12} while only a handful of private foundations do.

The prevailing north-south model of international relations that lumps together emerging middle income economies with low income and vulnerable least developed countries has become anachronistic. The binary distinction is no longer valid. China’s gross domestic product (GDP) already exceeds Japan’s while Brazil’s will overtake France and the United Kingdom by the middle of this decade. Accordingly, HLF-4 should explore ways of increasing the influence of emerging market countries in development cooperation as well as ensuring that they carry a fair burden as major stakeholders of the global system (Schwab 2011).

China is now a large aid player yet still treats aid statistics as a state secret. It does not wish to be perceived as a member of the rich countries’ club. According to Kilby (2010), annual financial transfers from China to the developing world amounted to US$25 billion in 2007. This mostly consisted of loans, credit lines and state sponsored investment with grants amounting to about US$5 billion (Kilby 2010). Additionally, in a recent survey of China’s aid to the Pacific Region, Fifita and Hanson (2011) estimate that it increased from US$33 million in 2005 to a current annual level of US$200 million consisting mostly of concessional loans.

Further illustrating the shift towards South-South cooperation, Brazil, Russia and India have emerged as significant aid donors on a par with (or even ahead of) such DAC donors as Finland, Ireland or Portugal. Thus, Brazilian aid, estimated at around US$1 billion a year, is expanding (Cabral and Winestock 2010). As for India, it allocated about US$547 million to aid related activities in 2008, initially focusing on its own neighbourhood but now reaching out to Africa (Ramachandran 2010).

A prominent aid recipient in the 1990s, Russia has quintupled its annual foreign aid budget in the past four years – from US$100 million to US$500 million (Reuters 2011). Furthermore, a US$7.5 billion fund may have also been created to help its struggling neighbours (Reuters 2011). Other non-DAC donors include the Czech Republic, Hungary, Slovakia, Saudi Arabia, South Africa, Indonesia, Thailand and Venezuela.

Private foundations (most notably the Gates Foundation) have also contributed to the diversification of aid channels. However, it is difficult to generalize about them given the scarcity of official data about their operations. They seem to have favoured support to specific and innovative global or regional initiatives concentrated in the health and agricultural fields and sought to manage their operations for results. While they have involved civil society organizations in their operations, these have often been US based (World Bank Development Prospects Group International Finance Team n.d.). As is common with vertical aid programs, they have had difficulty coordinating their activities with those of sector ministries.

All in all, the new donors are making significant contributions to development cooperation by offering aid modalities that are less demanding. But they are still on a steep learning curve and some are suffering the same growing pains that DAC donors had to endure during their

\textsuperscript{12} Nineteen non DAC donors report their aid to OECD-DAC (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia, Iceland, Israel, Liechenstein, Turkey, Chinese Taipei, Thailand, Kuwait, Saudi Arabia, UAE).
formative stages. Some are still using archaic technical assistance modalities poorly adapted to domestic capacity needs. Others are more finely attuned to the circumstances of their development partners than traditional donors. Trilateral development cooperation is tapping their potential by entrusting the execution of some DAC donor aid projects to southern contributors (ECOSOC 2008).

Funding from non-DAC sources is growing. The expanded aid resources, diversity of perspectives and more flexible approaches to aid delivery implied by this trend should be welcomed. But the common interest would be well served if all the new actors could be induced to subscribe to the Paris Declaration. This would help fill information gaps and contribute to reduced aid fragmentation and volatility. But it will also require proactive involvement of non-DAC actors in policy making.

**Challenge #7: Manage the inevitable tensions among Paris Declaration objectives**

According to eminent Harvard economist Dani Rodrik, the demands of globalization, national sovereignty and cosmopolitan democracy are not compatible. It is feasible to design policies that satisfy two of these criteria but not the remaining third (Rodrik 2011). Globalization in concert with the protection of national sovereignty undermines democracy. This conundrum applies especially to aid provided by international financial institutions (IFIs): their operations have deliberately promoted globalization by seeking to connect developing countries to the mighty engine of the international economy. Their conditionality is widely perceived to have infringed upon the sovereignty of recipient countries. Equally, bilateral aid that has favoured the social objectives embedded in the MDGs (in order to secure public support for aid) have sometimes been criticised as _ex ante_ social conditionality by developing country governments.

Similar tensions explain why Paris Declaration objectives have proved so hard to achieve. For example, bilateral aid conceived as an instrument of commercial promotion or foreign policy can make harmonization among donors impractical. Conversely, tight aid coordination by donors (sometimes called “ganging up” by developing countries) can undercut alignment with country priorities. The Accra Agenda for Action highlights state fragility as a key development priority. However, aid to fragile states intensifies the challenges implicit in the Paris Declaration (Manning and Trzeciak-Duval 2010; Picciotto and Fukuda-Parr 2010).

For example, increased use of country systems has been identified as a key objective of HLF-4 but this is not always a realistic option. For example, it is difficult to employ these systems in conflict prone countries characterised by human rights violations, gender inequalities and systematic discrimination. This risk has been minimized by performance based aid allocation protocols that have generated “aid darlings” and “aid orphans”. From a sector perspective the privileged status of health and education within the MDG structure has contributed to excessive aid concentration in sectors where public administration is often weak and corrupt. These dilemmas do not justify aid pessimism, as the risks involved can be managed.

For instance, Riddell (2007) notes that aid bashing best sellers like Dambisa Moyo do not inform their readers of the robust evidence confirming that well managed aid programs do work, or that that similar dilemmas arise in the design and implementation of domestic social programs. In the social realm, as in business, high rewards can only be secured by incurring and managing risks. Good aid managers strike sensible trade-offs geared to deliver value for

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money even in difficult circumstances. Commitment to shared goals as in the case of the Paris Declaration (combined with effective monitoring and evaluation systems) helps to align responsibility with authority.

**Challenge # 8: Review aid allocations**

Aid trends compiled by the OECD-DAC (2010) suggest that the share of core multilateral aid in official development assistance (ODA) is eroding. This report also shows that bilateral aid in 2008 accounted for 60% of total ODA; bilateral aid channelled through multilateral channels for 12% and core multilateral aid for only 28% after peaking at 33% of total ODA at the turn of the century.\(^\text{14}\) The OECD-DAC (2010) concludes that while it remains a significant component of development assistance (US$35 billion in 2008) the relative share of core funding for multilateral aid is in decline.

The evidence presented below suggests that HLF-4 should promote channelling more development aid through well managed, transparent and efficient multilateral agencies. This would enhance aid predictability, harmonization, coordination and coherence. It would also favour gradual aid alignment to developing countries’ priorities and processes in concert with the progress of their domestic policy reforms. Greater use of judiciously selected multilateral channels could also strengthen fragile states and set good practice standards for rich and poor countries alike.

It is axiomatic that aid resources should be channeled towards the most effective vehicles. Apart from their role in delivering global public goods, are multilateral development agencies effective aid channels for country based programs? Partial but revealing answers can be drawn from the monitoring and evaluation reports carried out under the aegis of the OECD HLF-3 to assess the progress of the development community towards Paris Declaration objectives.

Specifically, the OECD HLF-3 (2008) progress report confirms that major economies of scale are associated with multilateral development bank and European Union (EU) assistance. Compared to annual World Bank disbursements of US$8.5 billion to the government of developing countries, the European Commission disburses US$4.1 billion a year, while each of the regional development banks disburse an average of US$2.3 billion, the UN system US$2.2 billion and each of the 22 major bilateral donors an average of US$738 million (OECD HLF-3 2008).

This causes a major imbalance in administrative burdens. For example, HLF-3 data shows that whereas the World Bank sets up an average of two project management units per partner country, each bilateral donor sets up three such units on average for disbursements that are less than a tenth of World Bank levels. The 2008 progress report also tracks nine performance indicators precisely geared to the quality of aid delivery. They address alignment, harmonization, predictability and untying of aid. They also demonstrate that multilateralism has significant advantages in terms of the quality of aid delivery.

Harmonization indicators measure the extent to which donor countries coordinate, simplify procedures and share information to avoid duplication. Alignment indicators measure the extent to which donors make use of developing partner country financial and budget systems

\(^{14}\) Non DAC donors reporting to the DAC account for US$8.8 billion out of total non-DAC assistance of US$12-14 billion, of which 32% is multilateral.
and align technical assistance with capacity development objectives. The predictability indicator measures the extent to which aid is disbursed according to agreed schedules. The untying of aid indicator measures the extent to which suppliers from individual donor countries are unfairly favoured.

Table 1: Paris Declaration Indicators (donor performance)\(^\text{15}\)

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<td>133</td>
<td>94</td>
</tr>
<tr>
<td>All Multilaterals</td>
<td>127</td>
<td>96</td>
<td>101</td>
<td>133</td>
<td>114</td>
</tr>
<tr>
<td>All donors</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: HLF-3, Monitoring the Implementation of the Paris Declaration, September 2008

As Table 1 shows, for most indicators multilateral aid (especially from the World Bank) is far more compliant with aid quality standards than overall aid. However, not all multilateral aid is equally effective. Based on evaluation data, the multilateral development banks, the European Commission and IFAD enjoy a quality advantage over United Nations agencies.

Of course, average ratings conceal as much as they reveal since they fail to bring out the extraordinarily wide range of quality standards among bilateral and multilateral agencies. Nor do the HLF-3 indicators capture the unique capacity building and standard setting contributions of some United Nations agencies. Still, with respect to aid effectiveness, other authoritative reports confirm the overall finding that multilateral agencies are doing things right more often than bilateral agencies.

Thus, multilateral aid is far less fragmented than the former, as it has a concentration ratio of 75% compared to 57% for bilateral aid (OECD-DAC 2010). Furthermore, multilaterals allocate a larger share of their aid to low income countries (55% vs. 33% in 2008) and to fragile states (66% vs. 64% in 2008). They also deliver a higher proportion of country programmable aid than bilateral agencies (92% vs. 53% over the past five years). Finally, they react more quickly to financial crises through counter-cyclical assistance (OECD-DAC, 2010).

With respect to aid quality, a landmark and well documented Centre for Global Development (CGD) report, the Quality of Official Development Assistance Assessment, shows that on average, multilateral aid does significantly better than bilateral aid in maximizing efficiency, fostering institutions and reducing administrative burdens (Table 2).

\(^{15}\)See:http://www.accrahlf.net/WBSITE/EXTERNAL/ACCRAEXT/0,,contentMDK:21986171~pagePK:64861884~piPK:64860737~theSitePK:4700791,00.htm. The ratios are based on aggregate indicators for the most recent year available (2007) as follows: harmonization (indicators 9, 10a and 10b); alignment (indicators 4, 5a, and 5b); predictability (indicator 7); aid untying (indicator 8).
Multilaterals only fall short on transparency — with the exception of the largest two multilateral donors (the World Bank and the European Commission) who rate well on this indicator. The CGD review also indicates that vertical funds (Global Fund, International Fund for Agricultural Development or IFAD) do better in maximizing efficiency given their specialized staff, while horizontal (country based) institutions (e.g. the multilateral development banks) do better in fostering institutions given their proven ability to adapt to country circumstances.

However, the aggregation of CGD statistics does not tell the whole story. Multilaterals are not invariably more effective than bilateral agencies or vertical funds. For instance, Ireland ranks first in fostering institutions (as well as first overall in a tie with the World Bank) while Australia ranks first in transparency and learning\(^\text{16}\) and the Global Fund ranks first in maximizing efficiency. While the World Bank and the European Commission rank first and second in the league table, four bilateral donors (Ireland, United Kingdom, Netherlands and Finland) as well as the Global Fund find themselves among the best performers and outclass the regional development banks and IFAD.

Table 2: Quality of Development Assistance Rankings\(^\text{17}\)

<table>
<thead>
<tr>
<th>Aid Agency</th>
<th>Efficiency</th>
<th>Institutions</th>
<th>Admin. burden</th>
<th>Transparency</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB (AfDF)</td>
<td>2.0</td>
<td>4.0</td>
<td>12.0</td>
<td>25.0</td>
<td>10.8</td>
</tr>
<tr>
<td>AsDB (AsDF)</td>
<td>3.0</td>
<td>3.0</td>
<td>10.0</td>
<td>29.0</td>
<td>11.3</td>
</tr>
<tr>
<td>IDB (SF)</td>
<td>5.0</td>
<td>8.0</td>
<td>3.0</td>
<td>31.0</td>
<td>11.8</td>
</tr>
<tr>
<td>World Bank (IDA)</td>
<td>9.0</td>
<td>2.0</td>
<td>2.0</td>
<td>5.0</td>
<td>4.5</td>
</tr>
<tr>
<td>EC</td>
<td>11.0</td>
<td>12.0</td>
<td>9.0</td>
<td>2.0</td>
<td>8.5</td>
</tr>
<tr>
<td>IFAD</td>
<td>4.0</td>
<td>20.0</td>
<td>1.0</td>
<td>23.0</td>
<td>12.0</td>
</tr>
<tr>
<td>UN</td>
<td>15.0</td>
<td>28.0</td>
<td>24.0</td>
<td>16.0</td>
<td>20.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aggregate index rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multilateral</td>
</tr>
<tr>
<td>Bilateral</td>
</tr>
<tr>
<td>Vertical</td>
</tr>
<tr>
<td>Horizontal (country)</td>
</tr>
</tbody>
</table>


Table 3 below also shows a clear edge of multilateral donors over bilateral donors with respect to “value of money” indicators. The data are drawn from a comprehensive and transparent multilateral aid review recently carried out by the UK Department for International Development (DFID). The vertical funds and multi-country collaborative programs funded by DFID deliver good or very good value for money. The multilateral development banks also do relatively well.

\(^{16}\) At the bottom of the list, the United Nations ties with Belgium at the 22\(^\text{nd}\) rank (just ahead of Canada) while five bilateral donors bring up the rear (Italy, Austria, Korea, the United States and Greece).

\(^{17}\) 31 agencies were ranked by CGD. The UN was represented by five agencies (UNDP HIV-AIDS, UNCF, UNDP, UNPF and WFP).
Less impressive are the ratings awarded to UN agencies. Out of 22 such agencies rated by DFID only one (UNICEF) is rated as very good while seven are rated as good, six as adequate and nine as poor. Some UN agencies are doing sterling work, others are not and the UN development system as a whole is in dire need of reform. To sum up, available evidence confirms that there is considerable variation in the effectiveness of multilateral agencies but it is equally clear that most bilateral aid agencies are less effective than most multilateral agencies.

Table 3: Value for Money (VFM) Ratings of Selected Multilateral Aid Organizations

<table>
<thead>
<tr>
<th>Agency</th>
<th>Devt Objectives</th>
<th>Results Orientation</th>
<th>Managerial Strength</th>
<th>Partnership</th>
<th>Transparency</th>
<th>VFM</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td>2.8</td>
<td>2.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>Good</td>
</tr>
<tr>
<td>AsDB</td>
<td>2.8</td>
<td>3.0</td>
<td>3.3</td>
<td>3.0</td>
<td>3.0</td>
<td>Very good</td>
</tr>
<tr>
<td>IDB</td>
<td>2.3</td>
<td>2.7</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>Adequate</td>
</tr>
<tr>
<td>WB (IDA)</td>
<td>3.2</td>
<td>2.0</td>
<td>3.0</td>
<td>2.0</td>
<td>3.0</td>
<td>Very good</td>
</tr>
<tr>
<td>IFAD</td>
<td>3.0</td>
<td>3.0</td>
<td>2.3</td>
<td>3.0</td>
<td>3.0</td>
<td>Good</td>
</tr>
<tr>
<td>EC Budget</td>
<td>2.7</td>
<td>2.0</td>
<td>2.3</td>
<td>3.0</td>
<td>3.0</td>
<td>Adequate</td>
</tr>
<tr>
<td>UNDP</td>
<td>3.0</td>
<td>2.0</td>
<td>2.3</td>
<td>3.0</td>
<td>3.0</td>
<td>Good</td>
</tr>
<tr>
<td>WHO</td>
<td>2.8</td>
<td>2.0</td>
<td>2.0</td>
<td>3.0</td>
<td>2.0</td>
<td>Adequate</td>
</tr>
<tr>
<td>FAO</td>
<td>2.7</td>
<td>2.0</td>
<td>2.0</td>
<td>3.0</td>
<td>1.0</td>
<td>Poor</td>
</tr>
<tr>
<td>UNESCO</td>
<td>2.3</td>
<td>1.0</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
<td>Poor</td>
</tr>
<tr>
<td>UNICEF</td>
<td>3.3</td>
<td>3.0</td>
<td>2.7</td>
<td>3.0</td>
<td>2.0</td>
<td>Very good</td>
</tr>
<tr>
<td>ILO</td>
<td>2.2</td>
<td>2.0</td>
<td>1.7</td>
<td>3.0</td>
<td>2.0</td>
<td>Poor</td>
</tr>
<tr>
<td>UNIDO</td>
<td>1.8</td>
<td>2.0</td>
<td>1.7</td>
<td>3.0</td>
<td>2.0</td>
<td>Poor</td>
</tr>
<tr>
<td>WFP</td>
<td>3.2</td>
<td>3.0</td>
<td>2.7</td>
<td>3.0</td>
<td>2.0</td>
<td>Good</td>
</tr>
<tr>
<td>UNHCR</td>
<td>3.2</td>
<td>4.0</td>
<td>3.0</td>
<td>2.0</td>
<td>2.0</td>
<td>Good</td>
</tr>
</tbody>
</table>


Challenge # 9: Encourage reforms of the multilateral institutions

The Working Party on Aid Effectiveness (WP-EFF) that manages the HLF process combines effectiveness and inclusiveness (OECD 2010). It is a logical platform for coordinating the aid reform agendas of the three main clusters of development actors – the international financial institutions, the UN agencies and the OECD-DAC donors’ network. Its focus on ownership, harmonization and mutual accountability should be sustained.19

A radical redesign of the aid architecture would not be a realistic goal since existing structures are the result of historical antecedents and geo-political influences. In turn, these reflect complex interactions among states with diverse interests and goals that must respond to multiple constituencies in turbulent operating environments (Christiansen and Rogerson 2005). A gradual consolidation of aid agencies should nevertheless be encouraged.

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18 Development objectives averages ratings for role in meting international and UK aid objectives, fragile contexts, gender, climate, poverty focus. Managerial strength averages performance management, financial management and cost consciousness. Also rated but not displayed in the table is likelihood of positive change.

19 The Second Phase Paris Declaration evaluation relied on six HQ bilateral aid studies and a single multilateral aid study complemented by six bilateral aid and one multilateral aid update. More comprehensive coverage and greater transparency regarding the performance of individual donors would be desirable.
Without enlightened leadership sharply focused on increased legitimacy, transparency, responsiveness and efficiency, the effectiveness of development assistance agencies is unlikely to match public expectations. Thus, under the HLF process independent monitoring of how individual agencies tackle internal obstacles to aid effectiveness should be based on common metrics. This would encourage institutional reform.

The United Nations’ inclusive membership is a precious asset. It implies a superior ability to get close to developing country governments, engage in technical cooperation activities and advocate human rights. The legitimacy it derives from the “one country one vote” feature of its development governance is prized especially in the developing world but its seeming incapacity to reform is a major drawback. Unless systemic reform takes place and is supported by powerful members, including the large emerging market countries, the share of aid resources flowing through UN agencies may continue to decline albeit without jeopardizing the body’s role in the security sector, as a platform for global and regional goods delivery or as a norm setter for a wide range of development activities.

The unwieldy UN development system consists of seventeen specialized agencies; eight functional commissions; five regional commissions; and, sixteen organizations and programs. It is wracked by duplication and undermined by archaic management processes. In truth, the UN development cooperation system cannot really be called a system since it is an assemblage of loosely interacting groups. In particular, given their separate mandates and their autonomous governance arrangements, most specialized agencies tend to operate autonomously without much interaction with the Secretariat or with one another.

The global and country roles of the organization need to be connected far more intimately in order to (i) enhance knowledge transfers across themes and regions; (ii) relate the advocacy role of the organization to country realities; and (iii) overcome the “silo culture” that stands in the way of achieving the MDGs. This might be done through system wide knowledge networks that reach across institutional boundaries within and outside the UN. System wide knowledge networks could also improve knowledge generation and sharing of good practices and it could close the gap between the normative and analytical role of the UN and its country operations.

At the global level, the UN should adopt a comprehensive development paradigm that embraces human security and gives as much emphasis to MDG8 (that points north) as it is currently doing for the other seven (that point south). At the country level, the time may have come to go beyond the process reforms undertaken under the One UN initiative and upgrade the role of the resident coordinator with authority over all UN agencies on the ground. In parallel, the UN superstructure might be realigned under a Deputy Secretary General, Security, Development and Human Rights.

Reform is also needed in the IFIs. Their strong executive and corporate management cultures have protected their capacity to deliver. They have linked research and practice somewhat better than other organizations. They enjoy considerable economies of scale. They are better shielded from the shifting winds of international power politics. On the other hand, they are less responsive to local needs and evoke the metaphor of big tankers which cannot shift course quickly.

Their internal processes are complex, cumbersome and time consuming and they still tend to adopt blue print and technocratic approaches shaped by orthodox doctrines whereas bilateral
and civil society actors are frequently more nimble and adaptable. Most of all their legitimacy is undermined by a voting structure that no longer reflects the relative size and importance of their member countries and by an archaic method of selecting chief executives that gives more weight to nationality than to competency.

The multilateral aid architecture displays rococo features. Its operations are in dire need of greater coherence given the wide diversity and intense interdependence of individual agency mandates. The weight of emerging market economies should be reflected in their governance. Gradual streamlining of the aid system and oversight of governance reforms should become explicit aims of the HLF-4 process.

**Challenge # 10: Fill the evaluation gap**

Absent the discipline of the ballot box justifying the use of more tax proceeds for multilateral aid to sceptical industrial countries’ electorates implies increased public trust in the governance structure of multilateral agencies, the quality of their management and the development impact of their interventions. Unfortunately, the credibility of the internal evaluation systems currently in place within multilateral agencies varies considerably from agency to agency. While good practice standards and peer review processes focused on the independence and quality of internal evaluation systems that now exist, they have not been harmonized let alone implemented across the multilateral system.\(^\text{20}\)

Accordingly, stronger assurances of aid effectiveness and responsiveness to donors’ concerns have been sought either from ad hoc reviews carried out by individual donors or by collective donors’ assessments connected to periodic replenishment exercises. The former approach cannot be replicated to all donors given the prohibitive transaction costs and administrative burdens that a proliferation of bilateral reviews would imply. As for the latter approach, and despite some excellent examples of hard hitting and objective evaluations, it has done little to strengthen overall public confidence in multilateral agencies since these comprehensive evaluations have not always complied with consistent and generally accepted standards of evaluation independence and quality.

Hence, the lack of consistent, resilient and objective external evaluations of multilateral agencies should be a matter of considerable concern. Specifically, the HLF-4 process might aim at strengthening its own capacity to oversee the evaluation systems of aid agencies and take the lead in commissioning cross-cutting independent evaluations of the overall development architecture.

Current self assessments of multilateral agencies do not aim at accountability and fail to attest to the adequacy of multilateral agencies’ effectiveness in a sufficiently rigorous manner. Thus the Common Performance Assessment System (COMPAS) was designed in 2005 as a framework through which the multilateral development banks (MDBs) track their capacities to manage for development results. As a self-reporting exercise, COMPAS is explicitly

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restricted for use as a corporate learning instrument and it does provide opportunities for the participating institutions\textsuperscript{21} to share information and promote good practice.

Similarly, the Multilateral Organization Performance Assessment Network (MOPAN) has not aimed at formal evaluations of institutional performance reviews. It has used 19 indicators of interest to donors which relate to strategic management, operational management, relationship management and knowledge management\textsuperscript{22}.

Filling the monitoring and evaluation gap facing multilateral aid agencies is a compelling priority for HLF-4. This is because Paris Declaration tenets (alignment, harmonization, mutual accountability, untying of aid, etc.) imply less direct control by individual donor governments over aid funds as well as looser connections with the national interest and distaste for economic policy conditionalality. Hence, increased contributions to multilateral institutions cannot be taken for granted. They partly hinge on verification of the soundness of their governance structures, the validity of their policy prescriptions and transparent proof that multilateral funding delivers results by doing the right things and doing them right.

Paradoxically, the 2010 OECD-DAC Report on Multilateral Aid supports the on-going DAC Evaluation Network initiative led by the United Kingdom regarding joint assessments of multilateral agency effectiveness. Its dubious premise is that “a shift to self reporting would be a way to apply the Paris Declaration principles,” in other words it may rely on existing desk reviews and available monitoring and evaluation data so as to avoid duplication and minimize evaluation fatigue (OECD-DAC 2010). Yet, self-evaluation that is not buttressed by independent verification would lack credibility.

To enhance the legitimacy and credibility of oversight mechanisms there seems to be no satisfactory substitute for the full harmonization of monitoring and evaluation standards across multilateral agencies. Also needed are objective assessments of multilateral agencies’ compliance and periodic verification that their corporate performance is up to scratch and that their development results are adequate.

HLF-4 should aim at achieving a development community wide consensus on this basic principle. Next it should task independent evaluators with the duty of designing evaluation standards for multilateral institutions that combine sound self-evaluation methods with rigorous independent evaluation processes that can reliably attest to the quality of self-evaluation.

The foundations for such a system would best be grounded in the good practice standards of the Evaluation Cooperation Group\textsuperscript{23} of the MDBs and the agreed norms and standards of the


\textsuperscript{22}MOPAN is managed by a network of 16 donor countries with a common interest in assessing the organizational effectiveness of the major multilateral organizations they fund based on on-line surveys and interviews of MOPAN members’ staff and agency clients. MOPAN recently added a separate desk-based assessment which yields more positive ratings.

\textsuperscript{23}ECG as established by the heads of evaluation of the multilateral development banks in 1996 to strengthen the use of evaluation for greater development effectiveness and accountability; share lessons from evaluations and contribute to their dissemination, harmonize performance indicators and evaluation methodologies and approaches; enhance evaluation professionalism within the multilateral development banks; collaborate with
UN Evaluation Group. Adequate coverage of activities funded by DAC and non-DAC donors, foundations and the voluntary sector should also be promoted so that all development initiatives are eventually subjected to a revamped and independent evaluation process.

Methodological rigor would not be sufficient to ensure credibility of evaluations. The design of evaluation governance to guarantee independence, objectivity and “value added” is of equal importance. Contestability of self-evaluation findings by independent evaluation, as well as transparency and oversight of self-evaluation standards by independent evaluation constitute basic features of sound evaluation governance. These principles would lead to organizational solutions that combine self-evaluation with independent evaluation.

Last but not least, credible evaluation of multilateral interventions would imply a serious effort to involve developing countries in the process. This implies a major commitment to evaluation capacity development from donors. It will also call for ad hoc joint evaluation governance arrangements that give substantive control of a major segment of the Policy Coherence for Development agenda to developing country governments, organizations and citizens.

**Conclusions**

The principles of the 2005 Paris Declaration on Aid Effectiveness remain highly relevant for development cooperation. However, the overall operating environment has changed. Given the growing importance of non-aid factors, the HLF’s dominant paradigm should shift from aid effectiveness to development effectiveness.

The WP-EFF is uniquely placed to oversee coordination of the aid effectiveness agendas of the three main clusters of official development actors – the IFIs, the UN agencies and the OECD- DAC donors’ network. It should also reach out to new donors and ensure that the ad hoc coalitions charged with the delivery of global and regional public goods and policy standard setting comply with Paris Declaration principles.

A reversal of the erosion of core multilateral funding to reflect development performance should be an explicit goal of the HLF process since the economies of scale and country orientation associated with MDBs and EU development initiatives mean that multilateral aid has been demonstrably more effective than most bilateral aid. However, not all multilateral institutions rank high on available league tables so that reliable metrics should be designed to guide resource allocation.

It is equally clear that HLF-4 should induce multilateral agencies to reform. The United Nations should undertake the restructuring needed to achieve greater value for money while

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24 The United Nations Evaluation Group (UNEG) is a professional network that brings together the units responsible for evaluation in the UN system including the specialized agencies, funds, programmes and affiliated organisations. UNEG currently has 45 such members. UNEG is chaired by the UNDP, and is supported by an Executive Secretary and the UNEG Secretariat.

25 While they were not a party to the deliberations that led to the Paris Declaration and do not feel constrained by its strictures, they may be induced to participate since they are intent on raising their profile and increasing their influence within international forums.
the MDBs should realign their voting structures, adopt nimbler operational procedures and improve their relationship management.

Finally, HLF-4 should focus on filling the major monitoring and evaluation gaps that still plague the multilateral development cooperation system. Truly independent and transparent processes should be established to encourage compliance with agreed norms and attest in a reliable fashion to the development impact of multilateral interventions.

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