‘Real Aid: a civil society perspective’

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What’s different from a year ago?

- Significant aid increases up to 2010, especially to Africa
- Further debt relief for 18 HIPCs, Nigeria
- OECD-DAC aid effectiveness targets
- Progress on innovative financing agenda – IFFim and airline tax
- G8/AU-NEPAD Africa agenda consolidated
What’s not so different?

- Aid remains poorly targeted
- Debt relief exaggerates ODA
- TA continues to grow
- Tying is unresolved
- Coordination and predictability remain weak

Real Aid = ODA – phantom aid
Why the slow progress?

- Bureaucratic inertia
- Key donors have not bought in

But more fundamentally, institutions, incentives and culture have been left unchallenged:

- Donors are reluctant to relinquish control
- Bought-in donors still pursue competing agendas
- No real downward, excessive upward accountability
What next?

- Country policies on criteria for accepting aid
- Mutual commitments replace conditions
- National and international forums to review progress
- New mechanisms to increase volume & predictability
Clear recipient policies

- ranking of aid quality by donor
- reject aid that fails to meet threshold criteria
- rejected donors could reform, redirect aid in country, or leave the country or sector
- establish a clear division of labour
Mutual commitments

- Commitments drawn from international agreements
- Upward accountability that reinforces downward accountability
- Donors produce their own PRSs
- Measures to reduce volatility
New Forums and modalities

- National and international tripartite monitoring
- Reformed Consultative Group meetings
- International meetings outside OECD and IFIs
- A new UN Commissioner on Aid
- Long term commitments globally and nationally
- Innovative sources of development finance
Conclusions

- Recent Aid increases add to pressure for results – narrow window for reform
- Current asymmetries in aid relationship are unsustainable, sit oddly with good governance agenda
- Accountability has to addressed at systemic level as well as country level
- Reform has to be embodied