

NGO statement
Informal Review Session on Chapter IV, "Increasing international financial and technical cooperation for development"
15th – 16th April 2008

For the second year in a row, global ODA figures have fallen, and very few countries have met the target of 0.7% of GNP. Most donors have not made the substantial increases in ODA required to meet the Millennium Development Goals and the commitments from the Monterrey consensus. Much of the recent ODA has been due to debt relief, and to a lesser extent to emergency assistance and administrative costs of donors. In real terms, debt relief alone explains almost 70 percent of ODA between 2004 and 2005. ODA towards core development programs continue to remain subdued.

At the same time there is little progress towards the availing of long-term resources to the international financial system, coupled with democratic reform of the international financial institutions to ensure development effectiveness and increased resource flows to regional and sub - regional institutions and funds. These reforms and increased flows are needed to allow the regional and sub - regional institutions and funds to adequately support sustained economic and social development, technical assistance for capacity-building, and social and environmental protection schemes.

Improvements in aid effectiveness have been patchy and piecemeal both at the global and national levels. At the global level, there continues to be little effort to build mechanisms that enhance the overall effectiveness of national institutions, through increased country ownership, operations that raise productivity and yield measurable results in reducing poverty and inequality, and closer coordination with donors and the private sector. In the same vain unreformed supply-driven technical assistance is continuing to favour policy conditionality and undermine ownership.

Civil society organisations therefore call upon the membership of the United Nations to encourage the building of development partnerships that increase the volume and maximize the poverty reduction impact of ODA. In particular we call upon donor and recipient countries to:

1. Intensify their efforts to enable effective partnerships among donors and country recipients, based on the recognition of national leadership and ownership by developing countries. The outcome document of the Doha conference should include a commitment to end all donor-imposed policy conditions. It should recognise that such conditions undermine democratic ownership.
2. Commit to give aid to eradicate poverty and inequalities and to promote human rights, gender equality, full employment and decent work and environmental sustainability as central development goals. The outcome of the Doha conference should interpret the terms of national country ownership as democratic ownership and elaborate on its implications in the context of countries' obligations to international Human Rights law, core labour standards, and international commitments on gender equality and sustainable development.
3. Commit to end the practice of using aid for their own foreign and economic policy interests and priorities, and military interventions. In addition, an effective and transparent international mechanism must urgently be put in place to improve aid allocation so it goes to those most in need.
4. Untie technical assistance from the disbursement of aid and reform technical assistance to be aligned to national strategies, which respond to national priorities and build capacity. The right of recipient countries to contract according

to their needs should be respected. More effective South-South forms of technical assistance should also be promoted.

5. Commit to the highest standards of openness and transparency. This should include: timely and meaningful dissemination of information, particularly during aid negotiations and about aid disbursements; and the adoption of a policy for automatic and full disclosure of relevant information, in languages and forms that are appropriate to concerned stakeholders, with a strictly limited regime of exceptions. Southern governments must work with elected representatives and citizens' organisations to set out open and transparent policies on how aid is to be sourced, spent, monitored and accounted for. This requires that government ministers and officials are accountable to their citizens, with effective mechanisms of answerability and enforceability, based on improved transparency of information
6. Mutually agree transparent and binding contracts to govern aid relationships would make partnerships more effective. Aid terms must be fairly and transparently negotiated with participation from and accountability to people living in poverty and inequality. Donors and recipient governments should agree to base future aid relationships on transparent and binding agreements including clear commitments by donors on aid volumes and quality,
7. Develop multi-stakeholder mechanisms for holding governments to account for the use of aid in both partner and donor countries. The mechanisms should be open, transparent and structured, with room for citizens to hold their governments to account in their respective constituencies. As a universal and multilateral institution the UN, through a considerably strengthened ECOSOC Development Cooperation Forum should become a multi-stakeholder for democratic involvement in the design and monitoring of conceptual and operational aspects of the emerging aid architecture.
8. Adhere to the 2001 OECD/DAC agreement on untying aid to developing countries. Very little progress has been made in enhancing this mechanism. Donors should commit to expanding the agreement on untying aid to all countries and all aid modalities (including food aid and technical assistance).
9. Make disbursement of aid more predictable by freeing up administrative blockages at donor headquarters and agree to multi-year, predictable and guaranteed aid commitments based on clear and transparent criteria.
10. Reform the way aid is monitored to improve targeting, coordination and measurement of its impact. An independent monitoring and evaluation system for aid and its impact on development outcomes should be created at international, national and local levels. At the international level, new independent institutions will be needed to play this role, in order to hold donors to account for their overall performance. At the national and local levels monitoring and evaluation should involve a range of stakeholders – including CSOs, women's organizations and trade unions. Monitoring and evaluation should also take much more account of the links between reforms in aid modalities and development outcomes and progress towards respect for human rights, core labour standards and gender equality.
11. Establish an equitable multilateral governance system for ODA in which to negotiate future agreements on the reform of aid. This should have clear and transparent negotiating mechanisms, equitable representation of donors and recipients, and openness to civil society.

12. Put the issue of international taxation for development, including the Currency Transaction Tax on the Doha Conference agenda. The outcome of the Conference should contain an agreement to introduce a Currency Transaction Tax or a Currency Transaction Development Levy at a low rate to gain experience in its implementation.
13. Donor and developing country governments must ensure direct funding and establish clear mechanisms for the participation of civil society, including trade unions, women's rights organizations, in all the national development planning processes and aid planning, programming, management, monitoring and evaluation.

The World Bank and other regional development banks play a crucial role in channelling development finance to poor countries and setting the framework in which development aid is delivered. Thus, their development policies have a strong impact on other bilateral donors' financial flows. Their initiatives towards greater democratic governance with voice and vote for developing countries should remain firmly on track, and development finance channelled through these institutions should fully respect the above-mentioned principles of aid effectiveness, with a particular emphasis on country ownership and leadership over national development strategies. In this regard, it is of utmost importance that multilateral development banks put an end to their use of economic policy conditionality and systematically make ex-ante assessments of their development finance (such as Poverty and Social and Employment Impact Analysis). The World Bank, the IMF and other regional development banks should instead seek to promote local knowledge and capacities in their role of providers of policy advice and technical assistance.

Organisations endorsing this statement:

AFRODAD

EURODAD

African Development and Communication Network (FEMNET)

Asociación Latinoamericana de Organizaciones de Promoción, (ALOP)

Association for Women's Rights in Development (AWID)

Campagna per la Riforma della Banca Mondiale (CRBM)

Centre for Human Rights and Development, Mongolia

Equity and Justice Working Group, Bangladesh

Forum of women's NGOs of Kyrgyzstan

International Presentation Association, Sisters of the Presentation

Network for Women's Rights in Ghana (NETRIGHT)

Nepal Federation of Indigenous Nationalities (NEFIN)

New Rules for Global Finance

NGO Committee on FfD

NGO Federation of Nepal

Transafrica Forum

UBUNTU

United Methodist Church, General Board of Church and Society

VOICE, Bangladesh

Women in Development Europe (WIDE),

Women's Environment & Development Organization (WEDO).

Women's Working Group on FfD