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on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness
(2008/2048(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness (2008/2048(INI))

The European Parliament,

- having regard to Article 177 of the EC Treaty,
- having regard to the Communication from the Commission to the Council and the European Parliament entitled 'EU Code of Conduct on Division of Labour in Development Policy' (COM(2007)0072),
- having regard to its resolution on EU's Aid for Trade of 23 May 2007¹,
- having regard to its resolution on more and better cooperation: the 2006 EU aid effectiveness package of 28 September 2006²,
- having regard to the Communication from the Commission entitled 'EU Aid: Delivering more, better and faster' (COM(2006)0087),
- having regard to the Communication from the Commission to the Council and the European Parliament entitled 'Increasing the impact of EU aid: a common framework for drafting country strategy papers and joint multiannual programming' (COM(2006)0088),
- having regard to the Communication from the Commission to the Council and the European Parliament entitled 'Financing for development and aid effectiveness – the challenges of scaling up EU aid 2006-2010' (COM(2006)0085),
- having regard to the Communication from the Commission to the Council and the European Parliament entitled 'Accelerating progress towards attaining the Millennium Development Goals – Financing for Development and Aid Effectiveness' (COM(2005)0133),
- having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee entitled 'Policy Coherence for Development - Accelerating progress towards attaining the Millennium Development Goals' (COM(2005)0134),
- having regard to the Communication from the Commission to the Council and the European Parliament entitled 'Translating the Monterrey Consensus into practice: the contribution by the European Union' (COM (2004)0150),
- having regard to the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament

¹ Texts Adopted, P6_TA(2007)0203.

² Texts Adopted, P6_TA(2006)0382.

and the Commission on European Union Development Policy: 'The European Consensus' (the European Consensus for Development) signed on 20 December 2005¹,

- having regard to the Rome Declaration on Harmonisation, adopted on 25 February 2003 following the High Level Forum on Harmonisation in Rome, and the Paris Declaration on Aid Effectiveness (Paris Declaration), adopted on 2 March 2005 following the High Level Forum on Harmonisation and Alignment for Aid Effectiveness in Paris (Paris High Level Forum),
 - having regard to Resolution A/RES/55/2 of the United Nations (UN) General Assembly on the UN Millennium Declaration,
 - having regard to the Monterrey Consensus adopted at the UN International Conference on Financing for Development of 21-22 March 2002,
 - having regard to the main findings and recommendations of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) in the 2007 Peer Review of the European Community,
 - having regard to the main findings of the 2007 study entitled 'How Effective is EU Aid on the ground' commissioned by its Committee on Development,
 - having regard to the UN Millennium Development Goals Report 2007,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A6-0171/2008),
- A. whereas the current focus on aid effectiveness has led to the conclusion that development aid is underperforming as a result of too little coordination among donors and the existence of too many projects and programmes with different procedures,
- B. whereas this situation of underperformance leads to low levels of ownership, less effective programmes and developing countries being greatly overloaded with donor demands, a division between so called donor 'darlings' and donor 'orphans', and the neglecting of crucial sectors such as health, education and gender-friendly programmes,
- C. whereas the EU supplies more than half of all Official Development Assistance (ODA) in the world, has the capacity to become the most effective donor and should therefore assume an international leadership role to promote the reforms which are necessary in order to improve aid effectiveness,
- D. whereas the overarching objective of EU development policy is the eradication of poverty within the context of the new aid architecture, aiming at the achievement of the Millennium Development Goals (MDGs),
- E. whereas economic development, social development and environmental protection are

¹ OL C 46, 24.2.2006, p. 1.

interdependent elements which go hand in hand with sustainable development, which is the background to our efforts to improve the quality of life for all, as provided for in Paragraph 36 of the Beijing Declaration adopted on 15 September 1995 at the Fourth World Conference on Women in Beijing,

- F. whereas environmental protection is among the EU's priorities and whereas the Commission must therefore take this objective into account in all the policies it pursues towards developing countries,
- G. whereas the Commission wants to be a proponent of the aid effectiveness agenda, in respect of which it has two closely related aims: (i) to implement the Paris Declaration and improve the quality of its own aid programmes; and (ii) to help Member States to implement the Paris Declaration and improve their own aid effectiveness,
- H. whereas recent OECD figures show that, overall, EU aid decreased significantly in 2007,
- I. whereas the EU commitments to give more and better aid should include increasing its aid to 0,56% Official Development Assistance (ODA) / Gross National Income (GNI) by 2010, developing new and more predictable and less volatile aid mechanisms along with promotion of better coordination and complementarity by working towards joint multi-annual programming based on partner countries' plans and systems, further untying aid and reform of technical assistance to respond to national priorities; whereas between 2006 and 2007 the percentage of EU GNI devoted to ODA fell for the first time since 2000, from 0,41% to 0,38%, and whereas the EU must therefore redouble its efforts to attain the objective set in the MDGs of devoting 0,7% of the EU's GNI to ODA in 2015,
- J. whereas Article 180 of the EC Treaty, reinforced by Article 188 D added by the Treaty of Lisbon, requires that 'the Union's development cooperation policy and that of the Member States complement and reinforce each other', requiring the Member States and the Union to strive towards enhanced donor coordination and a better division of labour, which will contribute to greater aid effectiveness,
- K. whereas there is a risk that the ambitious objectives of the European Consensus for Development, including other political ones such as migration and trade, could dilute the focus on development and undermine the consensus achieved in the international aid agenda on poverty reduction as a result of lack of consistency between the various EU policies, and whereas in this context Paragraph 35 of the European Consensus for Development states that 'it is important that non-development policies assist developing countries' efforts in achieving the MDGs',
- L. whereas the brain drain has led to a critical shortage of health workers and other key skilled personnel in developing countries which in turn frequently prevents being effectively delivered on the ground,
- M. whereas the aid system is getting increasingly complex, marked by a proliferation of aid channels, fragmentation of aid flows, increased earmarking of aid, emerging economies becoming more powerful actors in their co-operation with developing countries, leading to the fragmentation of aid and overlapping donor activities at global, country or sector level,

- N. whereas in the coming years, one of the institutional challenges will be how to best integrate the 12 new members of the EU in their role as emerging donors, as some of these donors find it difficult to conform to the standard development co-operation guidelines of the aid system promoted by the OECD's DAC,
- O. whereas this situation could be an obstacle to effective aid provision,
- P. whereas the current system of allocating aid too often falls short, with many poor countries and critical areas, such as health, education, social cohesion and gender equality, receiving small aid allocations,
- Q. whereas the EU is committed to tackling the question of 'orphaned' or neglected countries and sectors in the context of its above-mentioned Code of Conduct on Division of Labour in Development Policy, beginning to look at allocations into situations of fragility,
- R. whereas Parliament, through the scrutiny mechanism of the Development Cooperation instrument (DCI) established by the Regulation (EC) No. 1905/2006¹ (DCI Regulation), and individual Member States have expressed concern that the primary objective of poverty eradication is not always reflected in field delivery,
- S. whereas a large number of studies have shown that effective accountability for the use of aid involving citizen participation is one of the main indicators of aid effectiveness, but aid is still suffering from a lack of transparency and openness; whereas this lack of transparency hampers access to information for governments, local authorities and civil society in the recipient countries and in this sense constitutes a major obstacle to better appropriation of aid,
- T. whereas aid is often disbursed according to donors' own priorities and timetables, without making sufficient efforts to respect and conform to national planning and development priorities, or the national budgeting timeframe, which makes it very difficult for recipients to prepare effective budgets, or to plan ahead, and makes it hard for parliaments, civil society and others to monitor aid flows and effectiveness,
- U. whereas the use of country systems is a key component of aid effectiveness and is deemed to be an important means of increasing partner countries' ownership over policy design and delivery; whereas, therefore, using country systems is expected to strengthen partner countries' national development strategies and implementation frameworks,
- V. whereas according to a recent Survey on Monitoring the Paris Declaration by the OECD, the lack of demand-driven technical assistance is a key issue for developing country governments due to the fact that much technical assistance continues to be tied and overpriced, and is often ineffective at building local capacity as established in Article 31 of the DCI Regulation,

¹ Regulation (EC) No. 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

- W. whereas the role of national parliaments is paramount for raising awareness and pushing for reform of the aid architecture, i.e. through the debate and approval of development frameworks and budgets, allocation of funding to poverty related sectors, promotion of the division of labour and holding governments to account for delivering on the Paris Declaration,
- X. whereas local authorities are key players in development policies, as their expertise and knowledge of local needs enable them to convey, on a daily basis, the expectations of the people and to bridge the gap between the latter and the State,
- Y. whereas the role of civil society is essential, both as a partner in the political dialogue on aid effectiveness and setting aid priorities, and as a “watchdog” for monitoring government spending,
- Z. whereas the DCI provides for no more than 15% of the thematic credit line for non-state actors and local authorities to be assigned to the latter and whereas this favourable trend, which is likely to render aid more effective, should be accompanied by greater recourse to decentralised cooperation on the part of Member States,
- AA. whereas the EU must ensure that the aid effectiveness agenda resulting from the Third High Level Forum on Aid Effectiveness to be held in Accra in September 2008 is focussed on the reduction and, in the long term, the eradication of poverty,
- AB. whereas both improving the quality of aid and increasing the quantity of aid are vital for achieving the MDGs and aid effectiveness cannot be a pretext for not reaching the commitments that the Member States made under the above-mentioned Monterrey Consensus,
- AC. whereas the European Consensus for Development recognises gender equality as a goal in its own right and commits the EU to strengthening its approach to gender equality in all EU development cooperation and whereas the Communication from the Commission to the European Parliament and the Council entitled 'Gender Equality and Women's Empowerment in Development Cooperation' (COM(2007)0100) commits EU donors to ensure the effective implementation of strategies and practices that genuinely deliver for women,
- AD. whereas local, national, regional and global peace is attainable and is inextricably linked to the advancement of women, as they are a fundamental force not only for family life and the education of children but also for public initiatives, conflict resolution and the promotion of lasting peace at all levels, as indicated in Paragraph 18 of the above-mentioned Beijing Declaration,
1. Calls on the Member States and the Commission together to make every effort to ensure that the EU speaks with one voice, to align aid delivery with partner countries' priorities and to make their actions more harmonized, transparent, predictable and collectively effective;
 2. Stresses that the Commission will need to maintain the integrity of the development

agenda and a clear focus on the ultimate objective of poverty eradication, and emphasise the effective implementation of priority policies, including a clear focus on results;

3. Stresses that the rise in the prices of raw materials played a crucial role in triggering the current global food crisis, which is in danger of wiping out all the efforts already made to improve the effectiveness of aid, and calls on the Commission and each Member State to support any measure which can help to stabilise raw material prices for developing countries;
4. Calls on the Commission to help integrate new members into the increasingly co-ordinated, international approaches to development policy and delivery with the appropriate mechanisms,, to work with new Member States to set out how they will meet the EU's additional objectives on aid effectiveness agreed at the Paris High Level Forum, and to explore the way forward for possible joint programming exercises; recalls in this context that the new Member States have committed themselves to ODA targets of 0,17% of GNI by 2010 and 0,33% by 2015, while their future contributions must reinforce the role of the EU in development cooperation;
5. Recognises the crucial role of democratic ownership and parliamentary oversight within developing countries for ensuring aid effectiveness, the need for the EU to provide resources and capacity development support to developing country parliaments to ensure that they have sufficient capacity to engage in scrutiny and oversight of their governments' budgets and the importance that better reporting of the results to the European Parliament, civil society and the Member States can help build confidence in Community programmes, increase accountability and permit more strategic forms of oversight; in this respect, calls on the Commission to propose a new indicator to monitor parliamentary scrutiny;
6. Calls on the Commission and the Member States jointly to identify performance indicators geared to the MDG indicators, in particular with regard to budgetary aid, so that national parliaments, local authorities and local civil society, as well as the European Parliament, can trace back the results of EU contributions;
7. Calls on the Commission and the Member States to ensure that EU policies as well as the aid architecture support the Paris Declaration principle of managing for results, particularly to achieve results in the MDGs least likely to be fulfilled according to the UN Millennium Development Goals Report 2007, such as the Fifth MDG;
8. Calls on the Commission to devise a matrix of all the financial instruments from which it has awarded funds for good governance, whether from the European Development Fund (EDF), the DCI, the EU-Africa Strategy or the funding allocated to African governments for good governance, in order to check the consistency of policies and the sound management of these funds;
9. Calls on the Commission and the Member States to support the creation and implementation of innovative financing mechanisms to contribute significantly to attaining the MDGs within the deadlines set; stresses that these additional resources cannot replace the commitments already given in terms of public development aid;

10. Supports the choice of the Commission to increasingly use budget support, but at the same time encourages the Commission to further investigate the challenges of this aid modality;
11. Calls on the Member States and their national parliaments to promote the division of labour agenda, in particular as set out in the Code of Conduct on Division of Labour, and to make actionable plans for how they intend to implement them in order to improve the European aid efforts, whilst ensuring that this agenda is driven by partner countries and not donors alone;
12. Stresses that the division of labour should be country-led, based on the Paris Declaration principles and results-focused and lead to sufficient financing of all sectors in each partner country;
13. Supports the revision and extension of the Donor Atlas initiative in order to promote a more coherent cross-country policy dialogue between the European donors;
14. Recalls that corruption diverts the funds intended for development and, therefore, is a major obstacle to greater aid effectiveness; calls on the Commission to improve monitoring of the allocation of development aid and to encourage aid recipients to ratify and apply strictly the international and regional agreements applicable to this field;
15. Calls on the Commission to ensure greater accountability as well as transparency of countries' public financial management systems where there is assurance that aid will be used for the purposes intended, in order to facilitate both ownership and poverty reduction;
16. Calls on the Commission and Council to take practical measures to fight corruption, particularly by supporting civil society initiatives intended to ensure transparency of the use made of the aid provided by the EU and by urging all Member States and partner States to ratify the UN Convention against Corruption of 2003;
17. Supports the role that the Commission is playing in order to co-ordinate development cooperation among Member States in headquarters and in the field and emphasises the added value provided by the Commission in taking a leading role in the political dialogue between the EU and the partner countries, based on the EU's common values such as the promotion of human rights and gender equality;
18. Calls on the Commission to continue to simplify procedures, including aid delivery processes, to further decentralise responsibility and to provide the delegations with sufficient capacity (in terms of staff and skills) and to control or influence as required by necessity the shape and approval procedure of the thematic and regional budget lines to fulfil their responsibilities; highlights the importance of equipping the future European External Action Service with sufficient development-oriented capacity;
19. Calls on the Commission also to encourage regular contact and shared work between its delegations and civil society and local authorities, in order to take better account of the needs and priorities of the partner countries and thus promote better appropriation of aid, which is the principal objective of the Paris Declaration;

20. Stresses the need to improve the guidelines and methodology for monitoring the Paris Declaration in order to improve collective understanding of the agenda set up by the Paris High Level Forum and ensure the consistent aggregation of information on indicators across the main countries receiving aid; highlights the need to ensure that donor countries fulfil their aid promises and calls on EU Member States to provide better access to their relevant data to facilitate greater transparency and accountability on aid reporting; stresses therefore the need to use precise indicators for interim assessments, the results of which will permit the readjustment and/or intensification of the actions necessary to attain the objectives set for 2010;
21. Stresses the need to draw up a medium-term monitoring plan to review progress and promote action-oriented steps to encourage reliance on country level monitoring, enable synergies between national and international monitoring efforts, and reduce potential duplication of efforts in the monitoring of the Paris Declaration commitments made by the EU;
22. Calls on the Commission to improve the clarity of the definitions relating to the ODA sectoral allocations so as to improve consistency of the results and reduce the transaction costs of managing the Commission and Member States data at country level; calls on the Commission to ensure that there is no widening of ODA definitions to include non-aid items such as military spending
23. Calls on the Commission and Member States, in accordance with the commitment given at the World Summit on Social Development in Copenhagen of 5-12 March 1995, to comply with the call by civil society organisations for at least 20% of development aid to be devoted to improving basic public services such as education, health, access to water and sanitation;
24. Calls on members of the OECD's DAC, which is the relevant authority, to formulate as soon as possible a definition of development cooperation which can put a permanent end to the diversion of aid in favour of purposes which have nothing to do with development, as this diversion is made possible only by the extremely broad nature of the current official definition of development aid;
25. Calls on the Commission and the Members States to untie completely their aid, in particular technical assistance, food aid and food transport aid, in line with the OECD's DAC recommendation of 2001 for countries eligible under the EDF and with Article 31 of the DCI Regulation;
26. Calls on the Commission and the Member States to phase out policy-oriented conditionality, especially economic policy conditionality, to support a common understanding on key priorities, and to use their influence to convince the World Bank (WB) and the International Monetary Fund (IMF) to support the same position; asks particularly that the "aid for trade" strategy benefit all developing countries, and not only those agreeing to a greater liberalisation of their markets, notably in the context of Economic Partnership Agreements;
27. Stresses the need for the international financial institutions and donor countries to publish the conditions for granting development aid, so that genuine democratic control can be

- exercised by parliaments, local authorities and civil society;
28. Acknowledges that ‘democratic ownership’ works both ways, and upholds the legitimacy of economic conditionality in the interests of Member States’ taxpayers, as manifested through their governments’ priorities;
 29. Stresses the need to disburse aid according to partners’ own priorities and timetables, and conform to national planning and development priorities, or the national budgeting timeframe;
 30. Stresses that better co-ordination between the Commission and the Member States should tackle the problem of orphan countries and sectors, and emphasises the relevance of an updated and refined version of the Donor Atlas in this connection;
 31. Stresses the particular need for improvement of the health MDGs for situations of fragility and for the Commission's DG ECHO and DG Development to co-ordinate their work throughout the humanitarian aid phase, the transitional phase and the development phase (linking Relief, rehabilitation and development) as stated for instance in the European Consensus on Humanitarian Aid;
 32. Stresses the need to intensify the Commission's consultations with civil society partners in headquarters and in the field through better-structured meetings on policy, strategic programming and aid effectiveness issues including requirements for calls for proposals, disbursement procedures, financial control of projects, monitoring and evaluation processes; calls on donors and partner governments to ensure the full and meaningful participation of civil society and local authorities in the planning, implementation, monitoring and assessment of development budgets and programmes and to support the conditions that are necessary to fulfil their roles;
 33. Stresses that the involvement of women and women’s movements in the formulation and delivery of policy and programmes, implementation, monitoring and evaluation should be seen as an integral part of ensuring real ownership, given the disproportionate impact of poverty on women;
 34. Stresses the need to involve local authorities of both Member States and EU partners in the process of achieving the goals of the Paris Declaration, particularly at all stages of the formulation, implementation and assessment of development policies;
 35. Recalls the decisive role which can be played by members of diasporas in improving the effectiveness of European aid and therefore calls on the Commission and the Member States to involve them more in planning and implementing European development programmes; stresses that the involvement of foreigners or people of foreign origin in a partnership between the EU and their country of origin is a powerful factor of integration;
 36. Considers that increasing transparency of information on aid flows is a critical objective for improving the effective use of aid and mutual accountability, and ensuring that there is timely public dissemination of complete information on all aid committed, allocated and disbursed, including publishing reliable country-by-country timetables, for aid commitments and expenditure; that there is automatic, timely and proactive disclosure by

Member States and partners of all documents related to the planning, execution and evaluation of aid strategies and projects; and that this disclosure should include publication of information that permits public participation in decision-making, in languages and forms that are appropriate for the stakeholders concerned;

37. Calls on the Commission and the Member States to make progress in this area by supporting the establishment of accounting standards for disclosure requirements in respect of external assistance and by working with civil society organisations, national parliaments, local authorities and international organisations to set out good practice in recording aid flows in national budgets;
38. Urges the Commission and the Member States to align their aid to the country systems by using general and sectoral budget support, which has to be based on a solid poverty reduction plan that strengthens domestic accountability and which has to be linked to the shared commitment on reducing poverty and achieving the MDGs, on respecting human rights and on strengthening and improving monitoring, financial management and accountability;
39. Stresses the need for incremental and predictable funding from the Commission and the Member States, in the form of multi-year (3 years or more) aid commitments, which are based on clear and transparent criteria and poverty eradication outcomes including specific sectoral outcomes, agreed with partner countries, and which are delivered on schedule, in a transparent manner so as to allow investment in building the human resources so vital for improving aid effectiveness; welcomes the initiative of MDG contracting to ensure a more predictable form of budget support in the longer term; insists however that this involves a strong commitment to achieving the MDGs by partner countries and that continuous monitoring with a strong focus on results is needed; welcomes the MDG contract as one of the possible ways to increase the predictability of aid;
40. Notes that, in most developing countries, most of the MDG targets will not be met by 2015; and urges Member States to prepare annual timetables to meet the promises they have made;
41. Recognises the importance of setting targets in order to achieve gradually a situation in which 100% of technical assistance is demand-driven and aligned to partners' national strategies;
42. Stresses that technical assistance planned in the light of the needs expressed by recipient countries and civil society organisations rather than the priorities of donor countries should make it possible to increase both the capacities of the EU's partners and local appropriation;
43. Notes that aid reform is only one of the steps that the EU must take along with making its trade, security, migration, agriculture, fisheries, energy, environment, climate change and other policies coherent with development objectives in order to benefit developing countries and promote a fair international financial and trade system in favour of development; recalls in this connection Paragraph 35 of the European Consensus for Development, which states that 'it is important that non-development policies assist

- developing countries' efforts in achieving the MDGs';
44. Recalls the commitments given by countries which are signatories to the Paris Declaration to perform strategic environmental assessments at sectoral and national level; calls on the Commission, therefore, to respect this objective with a view to assessing the impact of its policies, particularly on climate change, desertification and biodiversity in developing countries;
 45. Stresses that efforts to render aid effective should be accompanied by better information for the citizens of donor countries regarding the aims, methods of implementation and recipients of development aid;
 46. Recalls that the European Consensus for Development recognises gender equality as a goal in its own right, and therefore should be a key area for discussion on aid effectiveness;
 47. Recognises that the agendas of aid quantity and aid quality are inextricably linked, and that for aid effectiveness targets to be met, there must be continued commitment to existing quantity targets as agreed to by all EU Member States; in that regard urges the Commission and the Member States to reconfirm their commitment to achieving their collective target for ODA of 0,56% of GNI in 2010 and 0,7% of GNI in 2015, to scale up aid and to set ambitious multi-annual timetables to measure the gradual rise in aid budgets;
 48. Stresses the importance of including a strong gender perspective at every stage of the programming, implementation, monitoring and evaluation levels;
 49. Instructs its President to forward this resolution to the Council, the Commission, the Development Assistance Committee of the OECD, and the national parliaments of the Member States.

EXPLANATORY STATEMENT

The concept of aid effectiveness has acquired growing importance in international discussions, so much that we could speak of and 'international aid effectiveness agenda'. This agenda, established by the Paris Declaration in 2005 draws attention to the big picture, to ensure that the ultimate objectives of the aid system as a whole are being met; that the international aid system remains true to its primary purpose, that is, fight against poverty; and that all parties concerned have a framework for enquiring into broad lessons of good practice and establishing a consensus on how aid could be improved.

What is more interesting is that the Paris Declaration goes further by establishing specific commitments intended to promote enhanced aid effectiveness, based on international negotiations and dialogue, mutual accountability, and a set of indicators for tracking progress.

In September 2008, ministers from all countries, heads of development agencies and civil society organisations from around the world will gather in Accra for the Third High-Level Forum (HLF) on Aid Effectiveness (2-4 September). Their common objective is to help developing countries and marginalised people in their fight against poverty by making aid more transparent, accountable and results-oriented. This is, by no means, the end of the aid effectiveness agenda. On the contrary, it sets the goals to be attained in the post-Monterrey financing of aid scenario, therefore the European efforts on this subject should be considered beyond Accra.

Expectations are that the Forum will agree on an Accra Action Agenda identifying concrete steps to accelerate the implementation of the Paris Declaration. A first round of monitoring conducted in 2006 suggests that important efforts are still needed if we are to achieve the commitments agreed in the Paris Declaration and realise the full potential for improving development effectiveness at the country level.

As the central thrust of discussions in the Accra HLF will be the implementation of the Paris Declaration, it is thus important that the European Union, and especially the European Parliament, consider how its own work will contribute to this implementation process and how the aid effectiveness principles embedded in the Paris Declaration have contributed, so far, to deliver more and better aid. Therefore, the aim of this report is to establish a common position of the European Parliament on the run up for the Accra HLF which could be of valuable use in the aid effectiveness debate among the European development actors.

Principles such as the need to respect and promote local ownership, to align with partner-driven priorities, to make use of local systems, to harmonize donor efforts, to focus on results and to hold partners mutually accountable, are clearly relevant to a wide range of development actors and activities, including the EU, who has made major efforts over the last three years to promote scaling up of country-level poverty reduction efforts; more harmonized aid efforts aligned around country priorities; strengthening the institutional apparatus of partner governments, and better coordination of the resources and the efforts delivered by the Commission and the Members States through labour division.

Notwithstanding all the progress made so far, the picture is far from idyllic. A large number

of recent reports confirm that there are still obstacles lying ahead:

1. The cost of uncoordinated aid is very high. There are too many actors with competing objectives, especially in the poorest and most aid-dependent countries, leading to high transaction costs.
2. There is still slow progress in untying of aid and technical co-operation is still too much donor-driven.
3. Good headquarters policies are not always matched by in-country practices.
4. There is a need to strengthen country ownership. Mainly a partner responsibility, donors can assist by capacity development and alignment on country programmes and systems.
5. A lot of work needs to be done in managing for results. Mutual accountability, a key concept in the Paris Agenda, calls for performance assessment frameworks and improved incentive systems in both partner and donor countries.

As the world's leading aid donor, the EU has a key role to play as the central pillar of the international aid architecture. It must ensure that its own aid is spent effectively, and show leadership in the international arena by promoting much-needed reforms to aid practices, so that aid can play an effective role in the fight against global poverty. Also in that sense, it can promote policy dialogue with emerging donors such as China or India and private aid philanthropists to become part of the aid effectiveness debate.

The EU has made efforts to comply with the new Aid agenda through its new proposal of MDG's an increased budget support, the improvement of country systems and the predictability of EC aid. It is also putting forward the concept of division of labour and managements for results, which it hopes would gain the support of European member states and ensure a progressive and consolidated European voice in Accra. All this progress has been most welcomed, but should be followed by concrete actions at field level and accompanied by the decisive steps in favour of democratic ownership, accountability and better aid quality outlined in this report.

The recommendations included in this report cover a wide range of key areas such as the increase, predictability and coordination of EU's aid; the alignment with partner countries' plans and systems; the untying of aid and the reform of Technical Assistance.

In 2005, the European Union committed itself to radically improve the impact of its development cooperation through initiatives for more aid, delivered faster and more effectively. However, we should not forget that Aid reform is only one of the steps that the EU must take along with making its trade, security, migration, agriculture and other policies coherently work to benefit developing countries and promoting a fair international financial and trade system in favour of development.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.5.2008
Result of final vote	+: 24 -: 0 0: 0
Members present for the final vote	Margrete Auken, Thijs Berman, Josep Borrell Fontelles, Danutë Budreikaitë, Corina Crețu, Nirj Deva, Alexandra Dobolyi, Fernando Fernández Martín, Juan Fraile Cantón, Alain Hutchinson, Romana Jordan Cizelj, Filip Kaczmarek, Maria Martens, Gay Mitchell, José Javier Pomés Ruiz, Horst Posdorf, Toomas Savi, Pierre Schapira, Frithjof Schmidt, Anna Záborská
Substitute(s) present for the final vote	Ana Maria Gomes, Miguel Angel Martínez Martínez, Manolis Mavrommatis, Renate Weber