



Parliament and the MDGs in the Context of Changing Aid Architecture: Prioritizing South to South Cooperation and NEPAD

An EU Presidency Seminar hosted and organized by AWEPA, Casa Africa and the Spanish Senate

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I. ORIENTATION

AWEPA and the Parliament of Spain on February 25 and 26 hosted a seminar titled *Parliament and Accountability: Prioritizing South-South Cooperation in the New Aid Architecture* on the occasion of the Spanish Presidency of the EU. The seminar, which took place in Madrid, was part of the SIDA-funded *Mobilizing Parliamentarians for NEPAD* program.

The seminar – which was held in preparation for the High Level Event on south-to-south cooperation and capacity development in Bogota, Columbia in March – facilitated an open discussion on the changing aid architecture, the importance of parliaments in aid oversight, and the role of south-to-south cooperation in this oversight. Participants also discussed the role of regional and sub-regional parliamentary bodies and fora in facilitating south-to-south cooperation, both in terms of capacity building and ODA oversight.

NEPAD -- the New Partnership for Africa's Development -- is an integrated socio-economic development framework for Africa that was drawn up by five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal and South Africa) under the auspices of the Organisation of African Unity (OAU). The framework was formally adopted in July 2001 at the 37th Summit of the OAU.

II. SESSIONS and DISCUSSIONS

A. The achievement of NEPAD objectives in the changing aid architecture

NEPAD has been involved in the Paris Declaration and Accra Agenda for Action processes since the beginning, leading the south-to-south task team, which includes parliamentary learning. NEPAD believes that through south-to-south cooperation, parliamentarians can become key agents of change, and that regional integration and cooperation on the African continent is key. According to NEPAD, Africa recognizes that aid alone will not lead to development; rather, aid is complementary to the development process. Africa wants its voice to be heard clearly and loudly in political forums, especially those related to development, and African representation in all global political forums must be a priority.

Perhaps most critical to increasing aid accountability is measuring the impact of aid. In addition, holding partners accountable to their commitments and bridging the knowledge gap between North and South so that both sides speak the same language are important parts of improving aid accountability and ultimately aid effectiveness.

The representative from Better Aid shared her concern that aid effectiveness discussions have been too technical in nature, often disregarding the ultimate goal: development effectiveness. She suggested that instead of an aid effectiveness framework – which could have the unintended consequence of institutionalizing aid dependency – the international community should focus on creating a development effectiveness framework.

Every year, the amount of money flowing from the South to the North equals 10 times the amount of official development aid. This is largely due to unbalanced global trade policies and multinational corporations, many of whom are involved in resource extraction on the African continent. Such a massive flow of money from the South to the North dwarfs the trickle of aid flowing in the opposite direction. In addition, a significant amount of development aid flows right back into donor countries as it's used to pay the salaries of foreign experts and purchase equipment and technology made in the developed world.

The development community should question the legitimacy of the OECD DAC process given that it is not sufficiently inclusive of partner countries or civil society and suggested that the United Nations, with its 192 member states, would be a more legitimate, fair, representative and participative forum for such high-level development cooperation decisions. In addition, she stressed that all aid conditionality must be ended as it undermines country ownership of the development process.

Finally, the Better Aid representative provided an example of a positive outcome from CSO inclusion in parliamentary hearings. EuroDad – a network of 57 European NGOs focusing on debt, development finance and poverty reduction issues– provided input into parliamentary hearings in Norway, the U.K. and the U.S. (among the Bank's top funders) to demand that the World Bank reduce aid conditionality. In the two years following these hearings, the World Bank cut aid conditionality by half.

During the session, participants pointed out that there is a tradition of central leadership in Africa, which may not always be compatible with the idea of people-to-people leadership. In addition, attendees were reminded that good governance and democracy is not an event, it is a process.

B. Parliament's role in making aid more effective (in view of reaching the MDGs)

The second session focused on parliament's role in the "aid equation" and challenges faced in the quest to involve parliamentarians more meaningfully in aid effectiveness processes. The session also looked at parliaments' relationships with their executive and CSOs.

There are three main challenges in involving parliamentarians in aid effectiveness and the wider goal of reaching the MDGs: the lack of parliamentary capacity; the lack of recognition of the importance of parliament as a development actor (many organizations, including the World Bank, specify that they focus on working with a country's executive branch of government); and the fact that parliamentarians tend to be generalists without in-depth knowledge or expertise on a particular issue. Aid effectiveness is a sub-issue of oversight, and that it should never be framed as a stand-alone issue.

During the first discussion period, a number of points were introduced:

- When the international community refers to country ownership, most often that ownership is on the executive side. Parliamentarians have long been excluded from the concept of country ownership. In essence, ownership has simply been transferred from the donors to the executive, continuing to exclude parliamentarians and civil society.
- It is important to work with existing country systems as opposed to creating parallel structures and systems: if donors create parallel structures and then stop funding those structures 10 years later, countries will be left with nothing. Is it possible to do an in-depth examination of local systems before reinforcing them? If local systems that are not transparent and do not include strong parliamentary oversight are reinforced, this will lead to poor aid effectiveness.
- It is important to provide aid as direct budgetary support, otherwise, parliament does not have oversight over the funds and cannot do its job. Parliament does not oversee external aid, often times, not even the executive does. In many cases, it is aid agencies that control the funding and report on their activities without involving parliament in the process. Parliaments can only oversee development funds if they are provided as direct budgetary support.

The second discussion period included a number of interesting comments:

- Importance of involving parliamentarians in processes, not just at the end as monitoring mechanisms. This could help to build parliamentary capacity. Both the executive and the parliament must be involved in creating a country's Poverty Reduction Strategy Paper (PRSP) and defining its priorities.
- Difficulty that parliaments in developing countries face regarding funding, as they must request funds from the executive in order to be able to properly carry out oversight work.
- Potential for parliamentarians to partner with CSOs and local NGOs with expertise in various areas as an effective and inexpensive way for parliaments to "rent" expertise instead of buying it in the form of costly parliamentary research departments and services.
- Access to information is the most important part of democracy and accountability. In countries where this does not exist, parliamentarians may be the only citizens who can access government information, so they should in turn partner with CSOs to provide them with vital information. C
- The idea of direct inter-parliamentary cooperation between donor and partner countries for information exchange was introduced. For example, the Spanish parliament could exchange information and statistics directly with the DRC parliament to help build their capacity in aid management and oversight. This could help to build transparency in international cooperation.

Parliamentarians' engagement in the MDGs can result in a national commitment to meet these goals. A country's parliament could, for example, develop a legislative framework towards realizing the MDGs. In addition, parliaments can assure pro-poor budgeting and promote transparency and accountability in the budgeting process.

Budgets and budget monitoring are among the most important tools that parliaments have to increase aid accountability and effectiveness. Parliaments could undergo a pre-budget process during which they consult with CSOs and their constituencies to learn about the priorities of the people and ensure that these are taken into consideration, while at the same time educating their constituencies about the MDGs (this had been done in Benin). This suggestion pertains to both donor and partner country parliaments.

Parliament could also do a budget analysis to ensure that line items support the achievement of the MDGs.

An MDG "breakthrough strategy" will be created in September, 2010 following the high-level MDG review meeting in New York. All governments have been asked to come to this meeting prepared with their own individual breakthrough plans and parliamentarians should play a central role in developing their country's plan.

C. South-to-south parliamentary cooperation and the effective use of aid (with focus on case studies)

The final session of the program was a panel discussion that aimed to explore various perspectives on the relationship between south-to-south cooperation and aid effectiveness, including triangular cooperation (south-south-north).

The Southern African Development Community (SADC) Parliamentary Forum has developed a model law on HIV and AIDS that has become a reference point for many countries in the region, as well as a relationship framework to guide parliamentarians and civil society as they work together on HIV prevention.

The East African Legislative Assembly (EALA), perhaps the most developed regional legislative body, champions south-to-south cooperation as a way for development aid to be implemented in a "smart" way. Regional cooperation reduces the risk of hostile government takeovers and coups, and thus increases security and stability in the region while reducing political violence.

The EALA has a number of examples of good practice to offer, including the single import tariff that the assembly created, which has drastically improved trade within the region. In addition, the EALA in 2007 enacted a law requiring its five member countries to

negotiate as a trade block, as opposed to sending individual representatives to trade talks, thus increasing the weight of the region at the negotiating table. Interestingly, the European Union has not been supportive of this development and continues to press for individual negotiations with each country.

The EALA in 2008 also passed legislation supporting universities in the region and research into new technologies.

The final **discussion period** stimulated a number of questions, including:

- How can funding agencies working with local NGOs and CBOs in Africa be sure that the organization they're dealing with is not a corrupt institution?
- Participants acknowledged that the way knowledge is transferred is changing, it no longer has to move between large organizational bodies and trickle down to individual citizens; in many cases, individual citizens can now access this information directly through the internet. This must be taken into consideration when we discuss civil society participation.
- The constitutions of many African countries limit parliament's ability to appropriate more funding for parliamentary activities. As the importance of parliamentary oversight increases, how can these activities be funded?
- Civil society has an important role to play in informing citizens about their right to access information and in building their capacity to demand this.

III. CONCLUSIONS and IMPLICATIONS for PNoWB

The Accra agenda is about including citizens in the democratic ownership of international aid, thus elected law makers must be at the forefront as a representative body of civil society. Partner country ownership and leadership of the development agenda is only possible with fully functioning parliaments.

Many parliaments in the developing world are faced with a number of reoccurring challenges: a lack of independence from ministries; lack of support; and lack of capacity. Parliamentary capacity to oversee development funds is under-developed in both donor and partner countries.

Traditionally, the executive branch of government has had a tendency to keep parliamentarians at arm's length from decision-making processes. Inter-parliamentary cooperation can begin to address this issue, and seminars such as this are particularly important as forums for discussion and debate on issues in parliamentary cooperation.

Increasing inter-parliamentary cooperation with the ultimate goal of boosting parliament's oversight capacity – especially regarding development aid – is clearly of interest to PNoWB and its members and is one of the reasons why we value AWEPA as a partner organization.

In the upcoming *IDA 16 as a Vehicle for Increased Aid Effectiveness* campaign – on which PNoWB will partner with AWEPA – we will seek to incorporate the South-to-South collaboration dimension as often as possible, reinforcing the notion of cross-parliamentary capacity building.

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