

APPENDIX 1: THE PARIS DECLARATION / ACCRA AGENDA FOR ACTION AND AID EFFECTIVENESS

The Paris Declaration, adopted by donor countries including Australia in March 2005, commits adhering donors and developing-country partners to improving the distribution and management of aid, with the aim of increasing its effectiveness. This was augmented by the Accra Agenda for Action in September 2008, designed to accelerate and deepen the implementation of the Paris Declaration.

Paris Declaration principles

The Paris Declaration encompasses five key principles that target donor and partner countries are required to consider in order to improve the effectiveness of aid:

- partner-country ownership of development implementation
- donor alignment with partner-country development strategies
- harmonisation of donor development approaches and activities
- managing for better results through national development strategies and performance frameworks
- mutual accountability between donors and partners.

ACIAR recognises that, as an integral component of Australia's aid program, it is important to review and achieve compatibility with the above principles at both strategic and operational levels.

ACIAR is in a unique position at the interface between Australia's innovation system and development assistance programs. Moreover, as a research-oriented organisation with a sectoral focus on agriculture, fisheries and forestry, ACIAR has a longstanding practice of collaborative partnerships with both Australian and developing-country agencies. This is regarded as essential to achieve effective implementation and adoption of research projects as well as capacity building at research and institutional levels.

ACIAR's program design and implementation systems have continuously embraced both formal and informal joint planning and prioritisation approaches with developing-country partners. This collaborative requirement is, however, open to adaptation and alteration to meet the changing research needs for development of partner countries. It is also fully acknowledged that agricultural and policy environments can vary widely across countries and regions, and effective research for development must work at

ensuring that the diverse mutual priorities and capacities are understood and acted upon.

The Paris Declaration, together with the Accra Accord, has provided the impetus for ACIAR to further improve awareness of aid effectiveness and targets. Under the five key principles, ACIAR will build onto its current alignments to the Paris Declaration as follows:

Ownership: partner countries exercise effective leadership over their development policies and strategies to coordinate development actions

Present approaches recognise the leadership role of partner countries by designing projects with a developing-country lead partner, and through co-management of planning, monitoring and reporting.

This will be further developed by building on present collaborative processes and providing for more-proactive informal management linkages with counterparts. This will complement the formal priority settings and strategy forums with partner countries, and allow for changing priorities and country-level circumstances between farmers on a timely basis.

Alignment: donors base their overall support on partner-countries' national development strategies, institutions and procedures

The research partnerships and consultative model of collaboration used by ACIAR is designed to achieve alignment with the agricultural development priorities of developing-country partners. Compatibility with the institutional requirements and government procedures of each country is mandatory, and a formal signed agreement to each project is required by the relevant government authority.

In accordance with the Paris Declaration, ACIAR is in the process of giving active consideration to improved partnerships with less-developed and smaller countries within ACIAR's existing partner-country portfolio. Introducing and implementing a flexible 'research model' allows for alignment with specific features and characteristics of these countries. This includes more consideration of inter-country strategic alliances on a subregional basis, including emerging economies, and more-targeted capacity building and added revenues to achieve adoption and communication.

Harmonisation: donors' actions are more harmonised, transparent and collectively effective

As a specialist research management agency, ACIAR will work both directly and indirectly to meet this Paris Declaration objective—by working closely with AusAID, as the main Australian aid donor, to ensure harmonisation of country strategies; and by actively working with the AusAID strategic review of rural development to achieve more consistency and coherence in dealing with Australia's aid policies. This will include improved means of scaling out research results into development outcomes.

ACIAR will also continue to engage with other national and multinational agencies to facilitate suitable research to underpin or supplement donor programs. In practice this will involve participation in joint design missions for major projects with the World Bank, the International Finance Corporation, the Asian Development Bank and others. Increased ACIAR funding and commitment to the reformed CGIAR will also be an enhanced contribution to donor harmonisation through multilateral engagement.

Managing for better results: partners manage resources and improve decision-making

ACIAR will continue to be a major funder and user of two categories of project and program assessments by commissioning timely adoption studies and ex-post impact assessments. The primary purpose of these assessments is to provide information and feedback on the differences that a project or program has made at scientific, institutional and community levels in the relevant developing-partner countries and Australia.

In addition, valuable lessons are drawn from the assessments used in the selection, design and delivery of future research initiatives. This impact assessment program is integral to ACIAR's decision-making, and will be enhanced by active linkage with the Australian Government's ODE.

In 2011–12 and beyond, the results-driven management arrangements will be incrementally improved through a range of operational changes, yielding:

- the initiation of larger projects clustered around common themes
 - the fostering of development of supportive policy, regulatory and institutional frameworks
 - identification and monitoring of participation and adoption pathways in new programs from the outset
 - proactive engagement with R&D partners, including industry and NGOs
 - close liaison with the Policy Advisory Council and the ACIAR Commission
- enhanced emphasis on training, education and capacity building
 - greater emphasis on resource allocation for funding value-chain projects to address value-adding, job creation and export development priorities.

Mutual accountability: donors and partners are accountable for development results

ACIAR research investments are based on binding contractual financial and performance agreements with the Australian commissioned organisations, which are, in turn, required to enter binding agreements with overseas partners to ensure both individual and joint accountability.

Over and above this contractual template, ACIAR manages to include both Australian and partner-country agencies through close project processes, including:

- planning and design
- selection and decision-making
- resource allocation agreement
- fund management agreement
- reporting and milestone provisions
- review and evaluation.

In 2011–12 a Project Design and Management Working Group within ACIAR will re-examine the research contracting framework (including both Australian and overseas collaborators) across the broad accountability and performance management issues, covering:

- project proposal templates to more closely identify priorities for achievement
- further enhancement of transparency for all parties
- expansion of the risk-management framework to integrate risk at the project level
- enforcement of existing performance management and reporting requirements in contracts.