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**Statement by Mr. Pier Ferdinando Casini, President of the Inter-Parliamentary Union, at the Stakeholder Forum on "The role of national and local stakeholders in contributing to aid quality and effectiveness"
Rome, 12 June 2008**

Mr. President,

I am pleased both to address this important meeting and to express my appreciation to the United Nations Division for Economic and Social Development for the excellent cooperation we have enjoyed in preparing for this event. The IPU has been working for many years to bring the voice of parliaments to the United Nations and we are pleased to have a partner in the Division and its Under-Secretary-General, Mr. Zukang Sha, who understands the value of building a parliamentary interface with the United Nations.

The first Development Cooperation Forum is just around the corner, and members of parliament, together with representatives of civil society and local authorities, have been invited to give their views on one of the central issues of development cooperation, namely, how to improve the quality and effectiveness of aid. There is much that each one of us must do to advance this agenda, and there is a lot that we can do together. A better interaction between parliaments and civil society can help strengthen the monitoring of aid flows and of results. Closer interaction between parliaments and local authorities can result in a fairer distribution of aid flows from the central government to the local level. Articulating the ways and means by which we can work both separately and together on all these things is one of our tasks at this forum. And it is a task that is long overdue.

ODA issues are not new to the IPU. Last April, our Assembly in Cape Town issued a comprehensive resolution on "parliamentary oversight of state policies on foreign aid", whose chief architect, the Hon. François De Donnea of Belgium, is with us here today. In this text, as in many political declarations of the IPU, we have addressed virtually every aspect of the aid agenda.

Much of the discussion has of course focused on the quantity of aid and the need for States to respect their commitment to allocate 0.7% of GDP to development assistance and to increase aid by 50 billion dollars by 2010. Here I wish to highlight the precarious political balance between quantity vs. quality and effectiveness. In countries receiving aid, our parliamentary colleagues are very aware that more aid does not necessarily make for better aid, and that aid that is poorly construed can lead to all kinds of costly distortions to the economy and to the social fabric. In donor countries, we know all too well how difficult it is to argue for more generous aid budgets unless aid can be shown to produce positive results on the ground. At the same time, we need to do a better job explaining to taxpayers the very tangible benefits of what they are giving.

So our interest and involvement in this debate has deep roots. It should also help us build on the 2005 Paris Declaration which makes several key references to the need for increased parliamentary oversight as a crucial determinant of ownership and mutual accountability.

Mr. President,

The IPU resolution provides a basis for continued work to ensure that parliaments play a more active role in planning, implementing and assessing national development policies and programmes. An example of how the IPU works to achieve this goal is a series of case-studies – to be undertaken later this year – that will review the state of affairs of parliamentary involvement, identify obstacles to full parliamentary engagement and propose ways to remove these obstacles. In doing so, we will give special attention to financial support to the health sector and in particular support to achieving MDGs 4 and 5 on maternal, newborn and child health.

Let me conclude by saying a few words about the agenda for this meeting. On the question of aligning aid to national development strategies, we remain very concerned that progress is too slow. Too much aid is unaccounted for, making it difficult for parliaments to assess how it matches the priorities set in development strategies. Poverty Reduction Strategies are allowed little substantive involvement by parliaments. The excessive influence of donors in national planning processes results in the wrong priorities being set. As an illustration, just consider the neglect suffered by agriculture, which is one reason why countries have lost their capacity to feed their own people, subjecting them to the vagaries of world markets; or consider how women have been neglected in aid funding, in spite of their central role in the development process.

There is considerable debate in parliaments on the question of what conditions for the granting of aid, if any, are legitimate. The bottom line seems to be that at least some standards of human rights and good governance should always apply for countries to qualify for aid. However, our main concern in the end should be with a larger question, namely: who negotiates those conditions at both ends, and how. Once again, parliaments are not sufficiently in the picture. About tied aid, let me boil down the many possible questions to just one: what will it take to get verifiable and comprehensive data to actually assess how much aid is being untied?

Finally, regarding the question of how best to deliver foreign aid, let me express our strong preference for budget support over other aid modalities. While everybody agrees that more aid should come as budget support, once again the pace is too slow. Only about 10 percent of total aid is delivered this way in spite of the fact that budget support comes with the lowest transaction costs, is more likely to adhere to national development plans, minimizes the need for coordination among donors, and, most importantly, is the most open to parliamentary oversight. With these few words, I wish you a very fruitful discussion.