

EU CSO POSITION

First High-Level Meeting of the Global Partnership for Effective Development Co-operation

Mexico, 2014

1. Introduction

The 1st High-Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC) in Mexico (Mexico HLM) will determine the future relevance of development effectiveness agenda agreed, which brings together the providers of development cooperation, including the recipients, civil society, parliamentarians, and private businesses. To date 161 Governments and 45 organisations have endorsed the Busan Partnership agreement, which emerged from the Paris Declaration for Aid Effectiveness and Accra Agenda for Action.

The meeting in Mexico needs to reflect on progress toward achieving the goals and commitments made in Busan two years ago as well as identify measures to clear the way of existing bottlenecks. The Mexico HLM is also an opportunity to critically assess the commitment to inclusive development partnerships that emerged from Busan, including the mandate and the operational arrangements of the GPEDC.

The Mexico HLM is also taking place in the context of other important milestones for aid and development. 2015 will see several high-profile deadlines – the Millennium Development Goals come to an end and donors are supposed to have met their 0.7% commitment. As ODA figures from EU and its member states can tell, it seems that instead of progress we have seen regression in both quantity and quality of aid.

Mexico HLM is the opportunity to change the trend and make aid and development effectiveness agenda successful and relevant again for a new post 2015 development world. The GPEDC is closely linked to the post-2015 agenda, as some consider it as the “how” to do development cooperation, while the post-2015 is the “what” should be the objectives. This paper sets out the views of CONCORD on how the EU needs to move forward to ensure that the Mexico HLM is a success.

2. What is at stake?

2.1. Role of the EU at the Mexico HLM

- The EU as the largest donor block can lead by example. Therefore the EU and its member states should agree on **an ambitious and action-oriented joint position ahead of the Mexico HLM** to ensure that the Mexico HLM will deliver **a plan to accelerate progress and foster inclusive development partnerships**.
- High-level political commitment and inclusive participation and progressive outcomes will be crucial to ensuring that action agreed in Mexico becomes a reality so we urge all Member States to send **delegations to the Mexico HLM at the highest political level possible**, including all relevant ministers and **open a minimum of 20% of the participation to representatives of the CSOs**.

2.2. Progress of the EU in implementation of Busan Principles

- The current economic pressures the EU and its members are facing should provide an incentive to increase the focus and progress on aid and development effectiveness. However, as shown in the 2013 Concord AidWatch Report: The Unique roles of European Aid – the Fight against Global Poverty, **only**



seven EU member states have a full strategy in place for implementing the Busan commitments.

- EU needs to recognise its longstanding and previously made commitments on aid effectiveness, where the global partnership is partly built upon, by taking its responsibility and keep on monitoring its progress on these commitments. **We expect the EU to produce a detailed country level data on progress since Busan.**
- There **has not been a joint effort by Member States** and the implementation of Busan has relied on national initiatives. Overall, there seems to have been no coordinated regional efforts in keeping with EU's ambitions to be a global development leader.
- The Mexico HLM offers the opportunity to set a new path by bringing member states together in a **joint approach ahead of the Mexico HLM** and after it to **have proper reflection of the outcomes of HLM and to endorse a joint acceleration plan for the ensuing two years.**

2.3. *Mandate of the GPEDC*

- The GPEDC has a mandate from its members to ensure accountability for implementing the Busan commitments and supporting the implementation at the country level. After Mexico HLM such mandate will require more of determination and focus, particularly at the Steering Committee level both in a political and technical sense.
- The GPEDC also has been mandated to monitor progress on commitments through a set of agreed indicators and the support of the UNDP and OECD. Increased and more frequent and standardised monitoring, while respecting the commitment to country focused monitoring relying on existing data sources, would enable better understanding of what progress is being made and how to help highlight potential lessons to be learnt or roadmaps to further success.
- However, monitoring the implementation of the Busan commitments also requires resourcing of the joint support team, which has been an issue in the last two years. GPEDC members should ensure that the mandate of the GPEDC is backed up by sufficient resources to meet the needs whilst ensuring inclusive participation from less well-resourced members and adopted into process as well as endorsed as an outcome with commitments made to reverse the shrinking of civil society space and reduce gender inequality.

2.4. *Monitoring*

- The **quality of aid effectiveness information has declined significantly** since Busan. The implementation of the Paris and Accra agreements was monitored globally, and reasonably comprehensively. The implementation of Busan, on the other hand, is to be monitored mainly at country level rather than through comprehensive international survey. This resulted in the decreased of number of countries submitted data from 78 countries (and 33 donors) in 2011 to 43 (55tbc) countries in 2013. The EU should **adopt more ambitious monitoring by the EC** (building on the EU Accountability Report of Financing for Development) which could make an important contribution to driving progress on implementation.
- Global light monitoring should be properly defined, determined and coherent. There is need for consistency in data gathering in order to have meaningful data to learn lessons and improve effectiveness of development cooperation.

2.5. *Working arrangements of GPEDC*

We believe that the Mexico HLM offers the opportunity **to assess the strengths and the weaknesses that GPDEC has had to confront with over the past two years.**

Adjusting the working arrangements of the GPEDC is a way to respond to **the need to mobilize new interest and energy** for the effectiveness agenda. We would like the EU and member states support:

- a) **The Steering Committee being opened** to new constituencies with co-chairs more representative of the GPEDC membership as a whole.
- b) **Setting up intermediate working groups or structures at a more 'working level'** to enable more substantive and regular conversation and cooperation, including keeping the "community space" operating online. Such a working structure could clarify the mandate of the Steering Committee to focus on high-level and political concerns
- c) **HLMs taking place regularly every 24 months** at the maximum.
- d) **HLMs and SC meetings living up to the highest transparency standards** that new information technologies can allow (including live webcasting and online community space);
- e) **Creating space to bring together experts from the GPEDC constituencies** in the intervening time to allow for a much needed space where substantive issues can be broadly discussed for example in the form of the working structure suggested above but also in a less formal or more ad hoc/as needed manner
- f) **The periodic reviews** should take place regularly and at fixed times in order to build political momentum based on evidence of progress and lessons learnt.

2.6. *Busan principles for all*

- CONCORD believes that **the effective development agenda is essential to a new Financing for Development framework and the post 2015 agenda**. The Busan principles offer the opportunity to inform a new financial framework for sustainable development to the principle of national democratic ownership and leadership of partner countries in development. We call on the EU and its Members states to further these principles by ensuring that **the Mexico HLM endorses development effectiveness principles, including shared principles and differentiated responsibilities, as core to the whole development agenda**.

3. Themes of HLM Mexico

3.1. *Progress since Busan and inclusive development*

We are concerned that **there is not enough time to identify strengths and weaknesses** to allow for a proper assessment and agreement on actions to accelerate progress. For this very reason, we feel compelled to call on the EU and the member states to **duly consider the action points and recommendations that follow**.

3.1.1. Ownership

The EU should recognise the importance of democratic ownership by developing countries (including governments and civil society) are in the driving seat of their own development. Democratic ownership can be promoted by:

- **Development strategies/programmes should be based on a consensus within a broad range of development stakeholders including civil society organizations**, which should be involved from the early stages in the planning, implementation, monitoring and evaluation of aid programmes consistent with internationally agreed human rights instruments and norms and associated good practice guidelines. Coordinate and joint programming do offer an unparalleled opportunity in this regard.
- **Enhancing mutual capacity development**, including oversight bodies such as the parliament, civil society and the media in order to support accountability and the strengthening of country systems and building of effective and democratic institutions.

3.1.2. Focus on results

- **Clear definition of development results is needed.** We would like the EU to define development results in terms of poverty eradication, reducing inequalities, gender equality, environmental sustainability and international human rights standards. Development results indicators should be designed through inclusive processes that respond to the needs of people and include due consultation with civil society.

3.1.3. Inclusive development partnerships

- Addressing the shrinking space of civil society in many countries around the world and making **concrete and time-bound commitments to provide an enabling environment for CSOs and marginalised groups.**
- **Gender equality should prominently appear in the communique, as was the case in the Busan Partnership agreement.**
- A reference to '**human rights' and rights based approach should be included broadly**, and not only in terms of civil society organizations and their role.

3.1.4. Transparency and accountability

- At Busan donors agreed to implement a common open standard of information on development cooperation, and to publish implementation schedules by the end of 2012, with the aim of implementing it fully by the end of 2015. So far **11 EU Member States and the European Commission** have submitted implementation schedules outlining their plans to publish to the IATI component of the common standard¹. The EC and EU Member States should accelerate their efforts to publish to IATI with the aim of full implementation by 2015, taking concrete steps to improve the quality of the data published and to support specific actions for improving access and data use.
- Mutual accountability frameworks should reflect a genuine spirit of accountability to each other. Currently, accountability frameworks often focus too strongly on the accountability of donor governments to their own taxpayers at the expense of accountability to intended beneficiaries – who are also taxpayers in their own countries. In Mexico, the international community and the EU in particular can commit to realising mutual accountability mechanisms in all partners countries, which are based on consultation and participation of all relevant actors.

3.1.5. Policy Coherence for Development

The principle of policy coherence (PCD) needs to be an integral part of the communique from the Mexico HLM, building on and clarifying the development dimension of coherence in the Busan Partnership agreement (paragraph 9) on the need to “examine the interdependence and coherence of all public policies – not just development policies – to enable countries to make full use of the opportunities presented by international investment and trade, and to expand their domestic capital markets”.

3.2. *Domestic Resource Mobilisation*

- Poverty and inequality are the central challenges; therefore, reference to supporting “**progressive” tax systems** which are redistributive and based on capacity to pay is important to reduce inequalities. The Mexico HLM should also acknowledge the importance of using these resources **to finance public services like health and education, which also have a huge impact on reducing inequality by agreeing on proposed “Coalition for Sustainably Resourced Public Service Delivery” as a tangible outcome of the Mexico HLM.**

¹ <http://www.oecd.org/dac/aid-architecture/acommonstandard.htm>

- Commitments by the Mexico HLM to improve taxation systems should provide a greater role in tackling illicit financial flows and improve monitoring by regional or international organizations. Efforts made by civil society to measure and tackle illicit financial flows should be acknowledged and strengthened especially on national and regional levels.
- Key recommendations that should be endorsed to curb illicit financial flows are:
 - 1) Public country-by-country reporting for transnational companies in all sectors;
 - 2) Public registries of beneficial ownership for companies, trusts and other corporate entities;
 - 3) Automatic tax information exchange – developing country governments should be supported to engage in multilateral automatic tax information exchange where they would be granted non-reciprocal treatment at the beginning (receiving information without being obliged to send some on their side).

3.3. *Differentiation: Middle Income Countries*

- The EU should advance on the political commitment to target people and countries most in need, putting the fight against various forms of inequality and vulnerability at the core of development cooperation and political dialogue, including with MICs.
- To be effective, the multidimensional nature of poverty must be addressed, taking into account not only income poverty but all aspects of sustainable development – economic, social and environmental.

3.4. *South-South and Triangular Cooperation*

As we are fully aware of the growing importance of new donors as well as of regional and trans-border cooperation, we call on the EU and member states to play a facilitating role to make sure that any form of development cooperation is aligned with the effectiveness principles. As South donors are striving to agree on a cooperation framework of their own, we believe that four Busan principles should be safeguarded. In this regard, we believe that in the next two years will be critical to:

- Extend the implementation of the Busan common standard on transparency to encompass triangular cooperation and encourage SSC providers to publish relevant data to the common standard on a voluntary basis
- Ensure that unique role of CSOs be considered in Triangular cooperation projects.

3.5. *Business and Development*

The private sector plays both a positive and negative role in development and requires careful assessment of what can realistically be brought to the table that is complementary and supports poverty eradication and achieving development goals. Determining best practices and identifying appropriate partners is crucial to successfully engaging the private sector within a discussion on development effectiveness. The private sector is influenced by public policies that can create incentives or constraints for its activities. Emphasis on voluntary initiatives does not reflect its heterogeneity nor its potential for both positive and negative. Ultimately, responsibility for achieving human rights, development goals and poverty eradication lies with governments and should not be shifted to the private sector.

Creating a business friendly environment should not supersede protecting the rights of citizens. Multistakeholder dialogue is a crucial component in developing clear and achievable targets for the private sector that are aligned with development effectiveness principles and enables and incentivises businesses to achieve development objectives. Strengthening the domestic private sector in partner countries is central to driving competition and innovation. Small and medium sized enterprises (SMEs) and cooperatives are critical partners in development and private sector interventions should address their needs and concerns. Multistakeholder dialogue can identify the constraints SMEs face and public policy instruments can be developed to address them. Local and regional public

procurement can be very useful tool for increasing capacities and resources for the local private sector, and can incorporate social and development objectives to ensure alignment with development objectives. With this in mind the EU should:

- Hold private sector accountable for achieving the Busan commitments.
- Establish concrete standards for the private sector including transparent and independent monitoring and reporting systems with sanctions.
- Support regulatory frameworks and capacity in partner countries to ensure effective cooperation of business in development efforts.
- Support multi-stakeholder dialogue in order to define clear, measurable, transparent and achievable targets for the private sector that are aligned with development effectiveness principles
- Monitoring and evaluation of interventions must also address any negative spill over effects and how to guard against these.
- Greater transparency of partnerships is necessary and business should commit to public country-by-country reporting. In this vein the communiqué should include stronger links to the commitments under 'domestic resource mobilization' to ensure a coherent approach.
- Increase focus and support for country-level small and medium enterprises as drivers of sustainable and inclusive growth.
- The HLM should refer to the need for business to demonstrate their development impact on the poor (i.e. a pro-poor approach), going beyond addressing "the broad development agenda".

4. Future role of GPEDC/links to post 2015

Looking beyond Mexico, the forthcoming decisions on a new development framework is the key issue for development in 2014 and 2015. The GPEDC process is seen as the "how" to develop inclusive development partnerships as the method of development cooperation. Development effectiveness provides the answer to the "how" to implement development cooperation, while the post-2015 process is seen as "what" such a framework should deliver. It is thus critical to have a framework of development cooperation fit for the challenges of the post-2015 agenda.

A new post-2015 development framework should include:

- Commitment to the core principles of development effectiveness - ownership, transparency and mutual accountability, focus on results and inclusive partnerships – and aid effectiveness commitments as the most effective means of delivering on development goals. This will be particularly crucial as post-2015 development targets and efforts seek to leave no one behind and target the hardest to reach.
- Reflect the more inclusive and multi-stakeholder ways of working for global partnerships post-2015.
- Reflect the historic focus on evidence-based policy-making that has enabled the development effectiveness agenda to drive real progress and change.

In Mexico and beyond, GPEDC co-chairs, Ministers, Steering Committee members and all other stakeholders should be advocating for these principles and commitments to be included in a post-2015 framework while acknowledging the work that is still to be done to refine these principles and ways of working in practice.

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