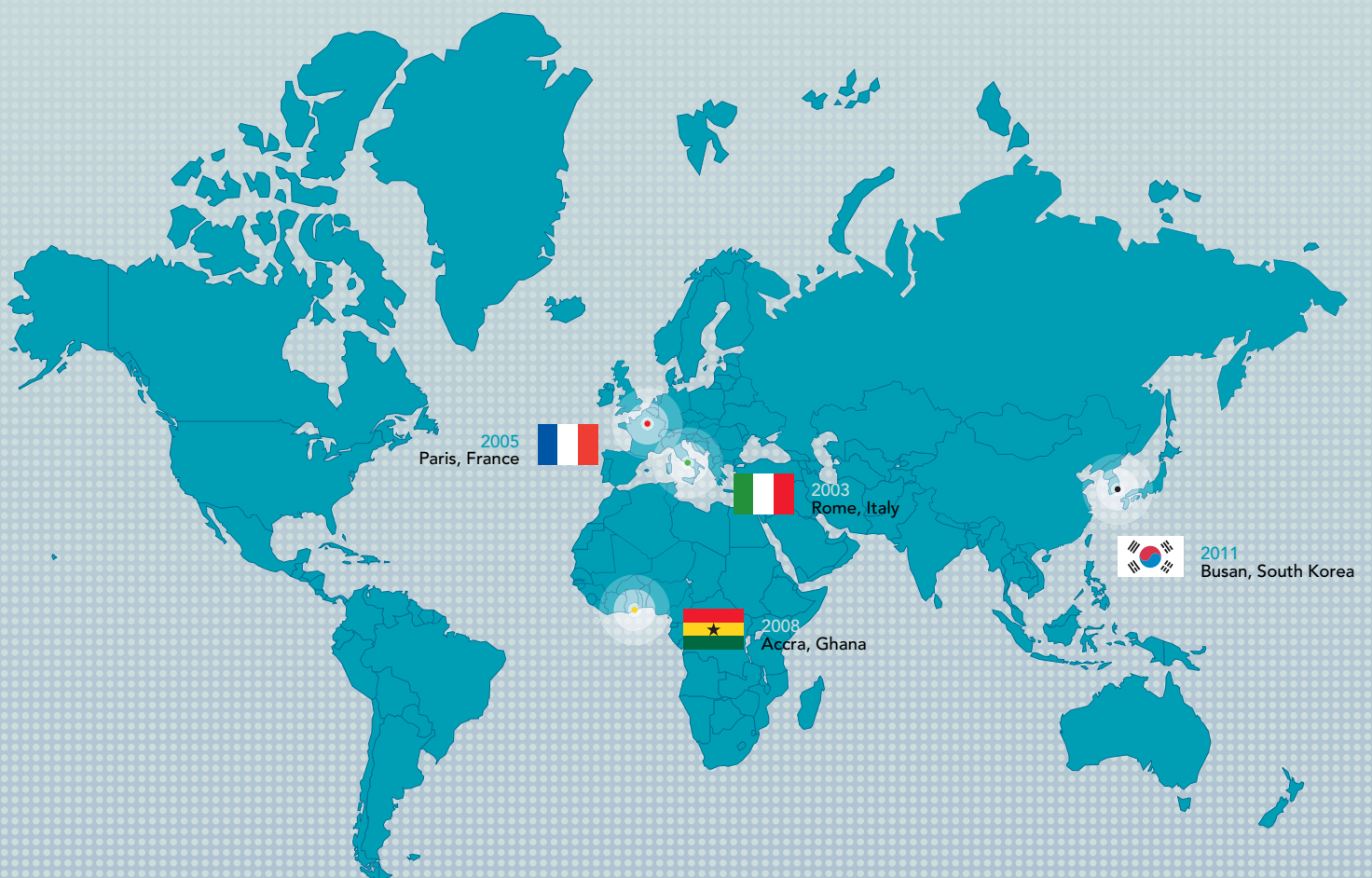


## MAKING SENSE OF EU DEVELOPMENT COOPERATION EFFECTIVENESS



CONCORD AidWatch Special Report  
On the post-Busan development effectiveness agenda

European NGO confederation  
for relief and development

**CONCORD**

Confédération européenne des ONG  
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### ● **About this report**

Since 2005, development NGOs from all 27 EU countries have come together every year through the AidWatch initiative, under the umbrella of CONCORD, to produce the annual AidWatch reports. CONCORD is the European NGO Confederation for Relief and Development. Its 27 national associations, 18 international networks and two associate members represent 1,800 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions, and regularly engages in dialogue with the European institutions and other civil society organisations. At the global level, CONCORD is actively involved in the Open Forum for CSO Development Effectiveness, the Beyond 2015 campaign, BetterAid and the International Forum of NGO platforms.

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### ● **European AidWatch Initiative**

AidWatch is a pan-European advocacy and campaigning network of NGOs which, since 2005, has monitored and made recommendations on the quality and quantity of aid provided by EU member states and the European Commission. The network carries out ongoing advocacy, research, media activities and campaigns on a wide range of aid-related issues throughout the year.

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## EXECUTIVE SUMMARY

The European Union's development cooperation is a key driver of poverty eradication for the EU's partners in the global South. More and better EU aid can boost the provision of essential services for all, empower people to claim their rights, and help our partner countries to build their own systems and capacities in order to phase out aid dependence gradually.

It is therefore extremely important to maintain an up-to-date understanding of EU aid, especially in the light of the evolving development landscape. This AidWatch report is, in fact, intended to provide an assessment of the effectiveness of EU development co-operation on the first anniversary of the Busan Partnership Agreement on Effective Development Co-operation, which was endorsed in December 2011. The major finding is that the implementation of commitments entered into at Busan by EU providers has been limited and uneven – reflecting, in part, the reform and implementation fatigue of EU governments in the area of aid and development effectiveness.

The report also demonstrates that the Busan Partnership Agreement (BPA) as such is insufficient to drive real reform. It contains much narrative but few clear targets or deadlines, and has consequently failed to create a strong sense of urgency among European decision-makers and practitioners. With European decision-makers, this was predictable: at previous summits, the EU had explicitly called for ambitious and measurable actions, with a timetable for implementation, but for Busan it lacked these ambitions. Nor did it take a strong stand on EU priorities such as human rights and gender equity. As a result, the BPA is weaker in these areas than the EU's own treaties and policy strategies.

The new Global Partnership for Effective Development Co-operation is now finalising a monitoring system and planning regular ministerial meetings to drive progress and hold the parties to account, but their effectiveness has not yet been tested and the delays in setting up this system have slowed down the entire implementation process. All in all, 2012 was a lost year for aid and development effectiveness reform in Europe. Reforms took place mainly at the level of policy, with the European Commission trying, in its "Agenda for Change", to promote a new approach that puts a

strong emphasis on using aid to promote economic growth.

Very limited progress on actual implementation has been made across the EU over the past year, and this progress is uneven, with some governments more committed to implementing change than others. There have been new actions in some areas of the aid effectiveness agenda, specifically relating to the joint programming of EU development cooperation and increasing its transparency. These areas have progressed because they have strong political support from influential players; on transparency, progress is expected and will be measured at the end of 2012. Although these actions are laudable, however, they are no substitute for the full implementation of aid and development effectiveness commitments across the whole of the European Union.

## Recommendations:

- The EU and its Member States must fully implement the international aid and development effectiveness commitments made in Paris, Accra and Busan. Busan complements Paris and Accra; the unmet commitments must be implemented, as requested by the EU's partner countries.
- The EU's legally binding focus on poverty eradication and human rights, as both the rationale for and the aims of EU development cooperation, must not weaken. On the contrary, it is past time to achieve these aims fully in the practice of EU development cooperation and aid allocation.
- In cases where global development partners have failed to reach a consensus, the EU needs to demonstrate goodwill by setting itself unilateral targets and deadlines for implementing aid and development effectiveness reforms.
- The European Commission should reaffirm its role as 'guardian of the treaties' and drive the full implementation of the aid and development effectiveness agenda throughout Europe.
- The EU should endorse a Union-wide development cooperation effectiveness plan, which needs to be designed in line with several key goals, including: to fully align EC and EU member states with Busan principles and commitments; to revamp the full implementation of Paris and Accra, and to create clear lines of responsibility for the implementation of global commitments. The plan should include an implementation mechanism at country level, and should be backed up by effective incentives or sanctions to ensure compliance by all EU member states.
- The EU needs to keep up the momentum on aid transparency and publish ambitious implementation schedules by December 2012. By the end of 2013 all European providers should have started publishing their International Aid Transparency Initiative components of the common standard. The national implementation plans for the wider development effectiveness agenda should also be made public in order to showcase progress and best practice.
- Joint programming will only deliver on its development effectiveness promises if it is implemented in a particular way. The EU will have to be cautious and intentional. The joint programming of EU development cooperation must respect the principle of democratic ownership. It should be a transparent process led by developing countries and their citizens, including poor and vulnerable groups.
- The EU should ensure that the commitments on aid and development effectiveness are fully reflected in all the financial mechanisms relevant to development cooperation, including within the Multi-Annual Financial Framework and the new European Development Fund for 2014–2020.
- The EU needs to take an ambitious stand on the new Global Partnership for Effective Development Co-operation by making use of participation in steering committee and ministerial-level meetings to keep development cooperation high on the agenda and push the process forward by being proactive at international level. The European Commission, as sole European representative, has an obligation to consult continuously with both governmental and non-governmental development actors across Europe.

## ■ INTRODUCTION

For aid to have a long-lasting impact in improving poor people's lives, the quality of EU development assistance is no less important than its quantity. In 2005 European governments, together with developing countries and international organisations, endorsed the Paris Declaration on Aid Effectiveness, the first comprehensive international agreement on how to manage official development assistance (ODA) more efficiently and effectively. The aid effectiveness agenda is driven by the insight that only good aid yields positive and sustainable development results.

Good aid can empower people, improve health and education systems, drive equitable growth, alleviate income poverty, and build effective and accountable states. There are numerous examples of good aid, but some of it is wasted owing to bad coordination or inefficient management. Ineffective aid can create lasting dependence, undermine development capacity, destroy local markets and infant industries, and replace the accountability of governments to their citizens by accountability to foreign donors.

AidWatch has been monitoring the quantity of EU development assistance since 2006. The annual AidWatch report has become the most important independent tool in Europe for holding governments to account on the commitments they have made: scaling up aid to 0.7% of GNI by 2015 in order to help poorer countries reach the Internationally Agreed Development Goals, achieving human rights for all, and eradicating poverty.

Previous AidWatch reports have included analysis of the effectiveness of aid, but this is the first one to focus exclusively on development effectiveness. It complements but does not replace AidWatch's work on monitoring the quantity of EU aid. Both aspects – aid quality and quantity – are of equal importance. Making more aid available is the prerequisite for more and better development results. Delivering better aid will boost the development effectiveness of EU aid. It is a long overdue step in achieving the global partnership promised in the UN Millennium Declaration (MDG8) more than 10 years ago.

AidWatch has been actively involved in the OECD-led aid effectiveness process since 2005, first as an independent watchdog and advocate of citizens' concerns, and since 2008 as a stakeholder in the Working Party on Aid Effectiveness (WP-EFF) through the BetterAid platform. This AidWatch report is being published in time for the first anniversary of the Global Partnership for Effective Development Co-operation (the follow-up agreement to the Paris Declaration and the Accra Agenda for Action), which was launched in December 2011 at the Fourth High-Level Forum on Aid Effectiveness (HLF4) in the South Korean city of Busan.

It assesses the Busan Partnership Agreement (BPa), and looks at how and why the international community arrived at it. The report also assesses to what extent the new governance structure and the accountability and monitoring framework developed in the first half of 2012 are adequate, legitimate and effective. Starting with a brief analysis of the main challenges for EU ODA and its development effectiveness, we take a closer look at the European Union's role in the process – before, during and after Busan.

While policy-making in the inclusive Busan process was relatively easy to watch, the same cannot be said of the actual implementation of these policies post-Busan. Where the Paris Declaration contained clear deadlines and targets, the BPa commitments are buried in vague narrative. The Accra Agenda for Action came with a commitment for governments to produce national implementation plans and make them public. The BPa contains no such obligation. Given the weakness of the formal accountability framework, it is even more important that European citizens should put constant pressure on their governments to deliver on the commitments made in Busan, and also on those still outstanding from Paris and Accra, most of which have yet to be implemented.



## PART ONE: Aid and development effectiveness in the European Union

### 1. How effective is EU development cooperation?

The EU, collectively, is the world's largest provider of ODA. In 2011, EU member states and the European Commission provided €53 billion in ODA – more than half the world's total reported amount.<sup>ii</sup> The development effectiveness of EU aid should therefore be a major concern for European governments and citizens – and also for their partners in developing countries. For many poor and vulnerable people in these countries who are suffering from malnutrition or lack access to services, the question of whether EU aid is effective and actually reaches the poor is a question of survival.

#### EU development cooperation in principle: poverty eradication and human rights to the fore

EU development cooperation is regulated by a comprehensive legal and policy framework. It draws on international agreements such as the UN's Internationally Agreed Development Goals and the OECD's aid effectiveness declarations. It sets out the development results EU aid wants to achieve, and outlines how to make aid a more effective tool for doing so.

Topping the list is the Lisbon Treaty's statement on the intended outcome of development: "Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty".<sup>iii</sup> The European Consensus on Development, a major policy document, states that "development is a central goal by itself, and that sustainable development includes good governance, human rights and political, economic and social aspects. The EU is determined to work to assist the achievement of these goals and the major development objectives agreed at the major UN Conferences and summits".<sup>iv</sup>

The EU's results framework was also formally reaffirmed in the aid effectiveness process, as the joint EU position for the third High-Level Forum on Aid Effectiveness in Accra states that "the EU underlines that human rights, democracy and rule of law are fundamental underlying principles for each development agreement. Environment sustainability and gender equality are also key objectives of development

cooperation".<sup>v</sup>

While these agreements determine what EU ODA is aiming to achieve, the EU also has comprehensive guidelines on how ODA must be delivered in order to achieve these aims. The main agreements here are numerous European Commission Communications and European Council Conclusions on special topics such as untying aid, the division of labour, or mutual accountability and transparency, many of which are reflected in the EU's Operational Framework for Aid Effectiveness.<sup>vi</sup>

The reality of EU development cooperation, however, still fails to match the fine image that the policy papers suggest. What are the major flaws?

#### Aid architecture: too little funding by poorly coordinated donors

The majority of EU donors fail to meet the 0.7% target for aid quantity. But this does not prevent them from maintaining a myriad of institutions that provide and administer funding and implement projects. The 27 member states each choose their own partner countries, priority sectors and levels of financial allocation in sovereign decisions. The European Commission is the EU's 28th provider, a 'donor in its own right', and is supposed to work in a way that complements and reinforces member states. Many member states, and the Commission, maintain several different aid agencies or financing mechanisms. All these agencies tend to have their own regulations and guidelines, attach their own conditions to aid, and conduct their own monitoring and evaluation exercises. To add to the complexity, funding is provided by local governments, private foundations and development NGOs within the EU.

This fragmentation and proliferation of the EU aid architecture has severe implications for both parties involved in development cooperation. For EU donors it means they have to invest time and money in cumbersome coordination, or the result will be waste from unnecessary duplication. The EU's partner countries in turn have to negotiate with all these donors separately, receiving and entertaining their missions and writing progress reports, to mention just a few of the tasks this entails. The bureaucracy distracts from the



core work of administering the country and providing public services for the citizens, and involves high costs, in poor countries which often lack capacity or resources.<sup>vii</sup>

The European Council itself has concluded: "With an increasing number of donors and financing mechanisms, the aid architecture is however becoming exceedingly difficult to manage and administrate. Competition amongst donors in the same countries and sectors [leads] to increased transaction costs. The number of missions, consultations and reports is becoming overwhelming for some partner countries to manage. It is inconsistent to burden the developing countries in this way while at the same time claiming to increase their capacities and promote transparency."<sup>viii</sup>

#### Aid spending: more funding needs to reach the recipients

The official figures on EU ODA tend to be misinterpreted as financial transfers by the EU to third countries. Aid critics, such as Dambisa Moyo in *Dead Aid*, use the data of the OECD Development Assistance Committee (DAC) to argue that aid is ineffective because \$1 trillion has been transferred to Africa over the past 50 years, and there is little development progress to write home about.<sup>ix</sup> In fact, the official data provide little information on how much money is actually transferred to – and spent in – developing countries. Administration costs in Northern capitals are high, and some EU ODA remains formally tied to the condition that all inputs for development projects are purchased from businesses in the donor country providing the aid. Such aid-tying wastes aid monies as the monopoly prices charged by donor country businesses increase the cost of development projects by 15 to 30%, and up to 40% for food aid.<sup>x</sup> The untying of aid has progressed over the past decade, and some EU Member States have untied it fully, but six EU donors continue to tie 30% or more of the bilateral ODA they provide.<sup>xi</sup>

But even when aid is formally untied, two-thirds of aid-funded contracts go to Northern firms or consultants.<sup>xii</sup> This reduces development effectiveness because money that is not spent in developing countries does not provide business opportunities for local firms, nor can it develop local capacity or create job or income opportunities with which

the local population could lift itself out of poverty. Research has also found that social and environmental criteria are not systematically considered when EU donors procure goods or services. In practice, human rights violations or tax dodging, for instance, are not used as a criterion to exclude private firms from aid-funded contracts. Such procurement practices are one of the main reasons why ODA's impact on economic development are limited and recipients remain stuck in a state of aid dependence.<sup>xiii</sup>

#### Aid spending: poverty eradication and human rights are not to the fore

The EU and international treaties and conventions are crystal clear on the development results ODA is aiming for: human rights, MDGS and poverty eradication. This should determine the allocation of aid across countries, sectors and individual actions. There are competing approaches on how best to allocate ODA in practice: for example rights-based approaches, needs-based approaches or results-based approaches. But the allocation of EU aid follows no visible pattern in any of these approaches, all of which share the common feature of being to a large extent rules-based and thus predictable.<sup>xiv</sup> In practice, EU aid allocation remains a largely arbitrary, donor-driven process which is not effectively regulated by national, European or international law.

Aid allocation is not only an area of national sovereignty in the EU, it also remains distorted by vested national interests, political populism and fashion. States in conflict in areas of geostrategic interest to the EU receive a disproportionately large amount of ODA.<sup>xv</sup> The Arab Spring drew attention to aid allocations to autocratic regimes in Northern Africa – so-called European 'neighbourhood' countries. European bilateral agreements contained deals struck with partner governments whereby the latter received ODA in return for cooperation on migration control.<sup>xvi</sup>

A recent study entitled "The Aid Effectiveness Agenda. The benefits of going ahead" found that the EU could generate efficiency gains of €7.8 billion annually by reallocating ODA to poverty eradication. The study concluded: "One must then ask why the actual allocation is so far from the 'optimal' allocation. Obviously EU donors have other aims apart

from the maximization of global poverty reduction. They want to be present in a broader range of countries for economic and political reasons, which means that there are political constraints on the reallocation our analysis suggests. Coordination could be organised through Commission aid or [the] coordination of bilaterals, but irrespective of what form the coordination would take, there remain strong political restrictions on what can be achieved".<sup>xvii</sup>

## 2. Unfinished business: the aid effectiveness agenda

All these flaws which are undermining the development effectiveness of aid are basically known. Some of them have been addressed by the 'aid effectiveness agenda', the global reform process triggered by the UN Millennium Development Goals in the early 2000s and organised by the OECD, which laid down its milestones at the four High-Level Forums on Aid Effectiveness (HLFs) in Rome (2003), Paris (2005), Accra (2008) and Busan (2011).<sup>xviii</sup>

The HLFs in Paris and Accra outlined the principles that should shape aid management and delivery. These principles, however, represent only some of the total commitments, of which there were 56 in the Paris Declaration and an additional 48 in the Accra Agenda for Action.<sup>xix</sup>

The Paris Declaration comes with a monitoring framework consisting of 12 indicators and 13 targets which were supposed to be achieved by 2010. This framework makes it possible to monitor the progress made against the commitments, and consequently to hold governments to account. For the Accra Agenda for Action, there is no such monitoring framework.

### THE PARIS AND ACCRA PRINCIPLES ON AID EFFECTIVENESS:

**OWNERSHIP:** developing countries will exercise leadership over their development policies and strategies, and will coordinate development actions;

**ALIGNMENT:** donor countries will base their overall support on recipient countries' national development strategies, institutions, and procedures;

**HARMONISATION:** donor countries will work so that their actions are more harmonised, transparent, and collectively effective;

**MANAGING FOR RESULTS:** all countries will manage resources and improve decision making for results;

**MUTUAL ACCOUNTABILITY:** donor and developing countries pledge that they will be mutually accountable for development results;

**PREDICTABILITY:** donors will provide 3-5 year forward information on their planned aid to partner countries;

**COUNTRY SYSTEMS:** partner country systems will be used to deliver aid as the first option, rather than donor systems;

**CONDITIONALITY:** donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the developing country's own development objectives;

**UNTYING:** donors will relax restrictions that prevent developing countries from buying the goods and services they need from whomever and wherever they can get the best quality at the lowest price.

Source: OECD.

### 3. Implementing aid effectiveness commitments: EU achievements and prospects?

Taking stock of the EU's performance: the EU missed all but one of the aid effectiveness targets that were due to have been met by 2010 – the only target met was that of better coordinating technical co-operation. The evaluation of the Paris Declaration confirms that the EU performs poorly on the reduction of proliferation and fragmentation: too many EU donors are running too many projects – and coordinating them badly. The EU's Code of Conduct on Division of Labour in Development Policy and its fast-track initiative on the division of labour were supposed to change this, but the European Commission has had to confirm that the conventional attempts made to overcome EU aid fragmentation have largely failed: EU member states have exited 90 sectors in recent years – primarily social sectors in Sub-Saharan Africa – but they have entered 71 new ones.<sup>xxi</sup> EU donors are also weak in the area of aid predictability, as the gaps between pledges and actual disbursements are huge.

The EU did make some progress on the 11 other indicators over the period 2005-2010. Encouraging progress was made in areas such as the use of recipient-country public financial management and procurement systems, facilitated by the wide use of budget support by the European Commission and some bilateral EU donors. Budget support is an aid modality that is well suited to meeting the aid effectiveness commitments, as it is automatically untied, for instance, and naturally uses country systems.

There are wide variations between EU providers, however: Denmark has met seven targets, but Belgium and Luxembourg only one. The EU's performance as a whole is dragged down by the fact that none of the three largest bilateral providers (Germany, France and the UK) has performed particularly well. Clearly, some EU providers have made more effort than others.<sup>xxii</sup>

#### BOX 1

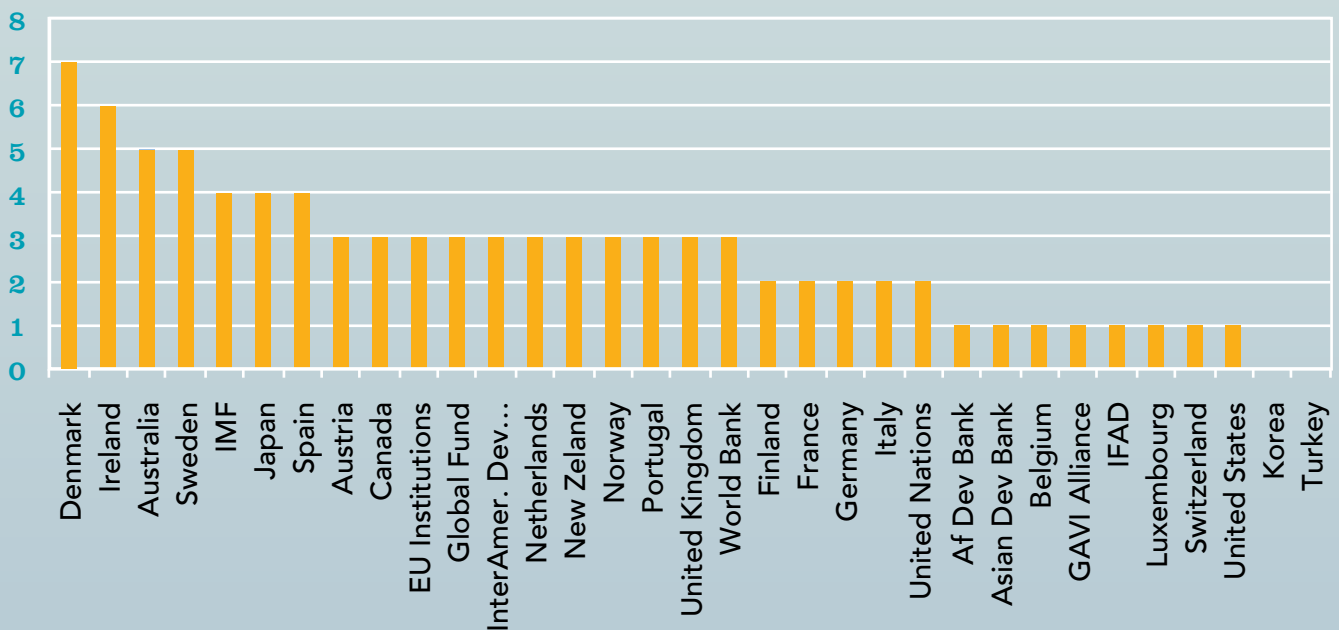
#### The challenge of measuring the development effectiveness of aid

The 12 Paris indicators thus do not measure the development effectiveness of aid. They are proxies that measure the cost-efficiency of aid delivery and other aspects that indirectly point to effectiveness (cf. Killen, Brenda: How much does aid effectiveness improve development outcomes? <http://www.oecd.org/development/aideffectiveness/48458806.pdf>). Independent watchdogs criticise the selection of indicators, pointing out that many commitments remain unmonitored, and some indicators carry little information. For instance, the indicator on ownership simply measures whether countries have operational development strategies or not. This does not say very much about how these strategies have been developed, or to what extent they reflect the actual needs of the people. The WP-EFF responded to this critique by introducing optional modules for democratic ownership and gender equity belatedly, in time for the third round of monitoring in 2010.

The OECD stresses that the Paris Monitoring Survey simply measures whether the targets set in 2005 have been met or not – it does not judge the relevance of the commitments given for development, nor the causes of setbacks or progress<sup>xx</sup>.

**GRAPH 1:**

Number of targets met per donor (across the 32 countries included in both the 2006 and 2010 surveys)



Source: Graph drawn by UKAN based on Paris Monitoring Survey data

Remarkably, donors as a whole performed worse than recipients: the Paris Evaluation stresses that “with a number of striking exceptions, donors and agencies have so far demonstrated less commitment than partner countries to making the necessary changes in their own systems”.<sup>.xxiii</sup> This is all the more striking as “in comparison with partner countries, the aid reform changes asked of donor countries under the Declaration are less demanding and the donors’ capacities for implementing change are greater”.<sup>.xxiv</sup>

The 12 indicators, of course, just measure progress against a fraction of the aid effectiveness commitments. They do not measure the development results of aid. What is worrying is the Evaluation’s finding that while the Paris Declaration and Accra Agenda for Action have led to some progress

on improving the quality of aid, building more transparent and effective partnerships, and supporting rising volumes of aid, they have failed on the most vital aspect: “On the whole, there has been little progress in most countries in giving greater priority to the needs of the poorest people, particularly women and girls”.<sup>.xxv</sup> As citizen groups argued in their shadow report on implementing the Paris Declaration and the AAA, too little aid reaches the poor, and this is a predictable consequence of the lack of participation by vulnerable groups in the decision-making on aid allocation and spending.<sup>.xxvi</sup>

The three Paris Monitoring Surveys identify trends in implementing the aid effectiveness commitments, showing that donors’ energy for implementing aid has decreased over

time. In four areas, initial progress made between 2005 and 2007 has been undermined by the reversal of trends from 2007 onwards; this applies to such key areas as improving the predictability of aid, aligning it with national priorities, strengthening capacity through co-ordinating support, and sending joint rather than one-sided missions to the field. All EU donors<sup>xxvii</sup> besides Germany regressed on at least one indicator between 2005 and 2010, with Belgium's performance since 2005 worsening on the majority of the indicators.<sup>xxviii</sup> After Busan, it will be difficult to measure further trends against some of the Paris targets as, partly owing to pressure from the European Union, the HLF4 decided that current monitoring will be discontinued and replaced by a new 'country heavy – global light' monitoring process.

The reasons behind this new approach to monitoring differ from donor to donor; amongst many factors, the Paris Evaluation identified risk aversion and lack of coordination. Some countries lacked the political will to reform: "development aid and aid reform have to compete for political and public attention with an even wider range of domestic and international issues in donor countries, making it harder to muster the necessary political, bureaucratic and public attention and support".<sup>xxix</sup>

Many Paris commitments, moreover, are mutual commitments which require reciprocal action, but some donors have imposed first-mover preconditions on their partner countries. In the area of financial management systems, for instance, they have expected their partners to reform and strengthen their systems first, while the partner countries have no guarantee that the donors will eventually use these systems. And this has in fact happened, as the Evaluation finds that, while many developing countries have improved their systems, donors still do not use them to the maximum extent possible, as they have committed themselves to doing.

Such outcomes are a consequence of power imbalances in the aid regime, where donors have the means to sanction non-compliance by recipient countries – such as by withholding or cutting aid – but recipients have no means of sanctioning non-compliance by donors. Donors can hold recipients to account, but not the other way around: the

full implementation of the aid effectiveness agenda failed in part because there was no mutual accountability in implementing the commitments made, and no effective mechanism for ensuring such accountability.<sup>xxx</sup>

## PART TWO: From aid to development cooperation effectiveness: a new global partnership

### 4. The Busan High-Level Forum: what was at stake?

The Busan HLF4 pursued at least two key aims. The first was to take stock of the progress made in implementing the aid effectiveness agreements and reflect on the lessons learnt in the five-year period since the Paris Declaration was endorsed. Building on these lessons, the second aim was to develop a new framework for effective development cooperation that went beyond aid and reflected recent changes in the development cooperation environment.

#### Stocktaking and lessons learnt

The evidence produced for Busan – both official and independent – indicated that HLF4 needed to tackle the following issues:<sup>xxxI</sup>

**Limited implementation.** While the aid effectiveness principles all proved relevant, in practice only one target was met. The implementation process was ineffective, or perhaps there was too little time. Consequently, there was a need to reaffirm fully, deepen and strengthen the aid effectiveness principles, and to develop more effective implementation mechanisms.

**Uneven progress.** Implementation was uneven across countries, with donors in general lagging behind. When it came to upholding their mutual commitments, there was limited mutual accountability between donors and recipients in the unequal aid relationships. The aid effectiveness agenda was never a true partnership with the partners on an equal footing.

**Lack of political will.** Countries where political leaders were committed to the aid effectiveness agenda performed better. This pointed to the need to politicise the agenda and mobilise continued high-level political leadership.

**Limited poverty focus.** The aid effectiveness principles did not increase the focus on poverty or, consequently, the poverty eradication results of aid. Citizens – in particular the poor and other vulnerable groups – were not able to defend their interests. This made it clear that the purposes for

which ODA is provided, who decides about it, and how it is decided, are questions that need to be addressed. So a stronger focus on development results was needed. And if these development results were to benefit the poor, there was a need to empower and strengthen their voice in national and global decision-making: to democratise ownership, and to build more inclusive partnerships and processes.

**Rights at risk.** Development is far more likely to be equitable and pro-poor when political participation by disadvantaged groups and their access to essential services are safeguarded by enforceable human rights, and when the environment favours the vindication of their rights by all citizens. Little progress was made in this regard. CSOs even pointed to a backlash in some countries: rights were actually at risk.

**Aid is only part of the solution.** As the aid effectiveness principles are relevant to increasing the development effectiveness of external development finance, there is no reason to confine them to official development assistance from DAC donors, which represents only a tiny proportion of cross-border flows. The principles should also be applied to other forms of official financing such as climate finance, export credits and South-South cooperation, and in particular to private finance too.<sup>xxxII</sup>

**The new development landscape.** HLF4 was held in a 'new development cooperation landscape', which had changed enormously since 2005. The most important shifts were:

**Southern development finance surges.** Many DAC donors had been hit hard by the financial crisis which had led to the stagnation of economic growth and aid budgets, especially in Europe. At the same time, emerging markets such as China and Brazil had massively increased their financial transfers to developing countries (with both a commercial and developmental purpose). The EU was now particularly keen to see the 'emerging providers' coming under the umbrella of multilateral effectiveness agreements.

**Ever-increasing proliferation.** The relative weight of official DAC donors in the aid system had been further diminished by the surge in private philanthropic foundations, which by

the time of HLF4 were also largely outside existing agreements on aid effectiveness.

Results pressure. In particular in the few EU countries that remained committed to the 0.7% target, even in times of financial crisis, governments were under increasing pressure to demonstrate to their home-country constituencies that aid spending actually did achieve results.

Public poverty meets private wealth in Europe. The way European governments had managed the financial crisis, with bank bail-outs and economic stimulus packages, had safeguarded private wealth and assets at the cost of surging public debt levels and increasing fiscal constraints. This made it unlikely that EU ODA, like any other public expense, would increase massively over the coming years. In this environment, some EU policy-makers proposed to 'blend' public ODA with private loans, or to use ODA to 'leverage' private investment in order to tap into the private finance still available in Europe.

#### ***4.1 The Road to Busan: a widening partnership***

The Working Party on Aid Effectiveness started out as an intergovernmental body hosted by the OECD's Development Assistance Committee (DAC), traditionally the forum where donors debate the technical – and to some extent political – question of aid delivery and management. For most observers, it was a donor-driven process. Increasing awareness by donors that effective development cooperation depends on a commitment from all development actors, a commitment that is dependent in turn on their being included, led to the broadening of membership. In 2004, 14 developing countries joined the WP-EFF. Donors, however, still had a clear majority.

CSOs were the first to join when the WP-EFF reconvened after HLF3 in Accra. CSO participation was organised by the BetterAid platform. BetterAid also represented the Open Forum on Civil Society Development Effectiveness, a platform that works on improving the effectiveness of CSOs' own action and advocates for an enabling environment for their work. CSOs' contributions were remarkable, as they

tried to make a meaningful contribution to the largely technical work of all the WP-EFF's thematic clusters and task teams. Outside of the Paris bubble, they made impressive efforts to improve their own development effectiveness. They developed the eight Istanbul principles for CSO Development Effectiveness in 2010, and later the International Framework for CSO Development Effectiveness, to promote the implementation of the principles.<sup>xxxiii</sup>

Next were the new providers of development cooperation (or countries involved in South-South cooperation) – increasingly important players such as China. These actors were not really so new, as they had already endorsed the Paris Declaration and the Accra Agenda for Action. This, however, they had done as recipient countries. But now their status was supposed to change to that of provider countries. In fact, they were keen to insist that they were both providers and recipients of aid, and that South-South Cooperation (SSC) was fundamentally different from DAC donors' ODA. Their increasing relevance meant that both traditional DAC donors and recipient countries insisted that a new multilateral agreement on development effectiveness should also cover SSC.

Last to join was the private sector (comprising for-profit enterprises and banks). Private sector participation was justified by the huge developmental impact, positive and negative, of private investment. CSOs have also advocated for improved standards for businesses and banks: a position paper by BetterAid argues that ODA comprises only 0.3% of DAC donors' national income. "If we are to achieve global development goals [...] the other 99.7% of economic activities in DAC and non-DAC countries, in addition to aid, need to contribute to development effectiveness."<sup>xxxiv</sup>

#### ***4.2 The challenges of civil society participation***

CSOs have a variety of roles and functions in development cooperation. Citizen groups from developing countries are legitimate representatives of citizens' voices and concerns, often representing vulnerable groups and minorities which, even in democratic systems, are frequently sidelined in the majority decision-making procedures of parliaments.

Their roles include ensuring that these groups' concerns are reflected in development policy-making and its major products, such as national development plans and results frameworks. Northern or international development NGOs are increasingly important providers of development cooperation. The quantity of their aid exceeds that provided by governments in some donor countries, and they have competitive advantages over state-run aid agencies, as they often engage in political work such as empowerment, or reach areas and people neglected by official aid.

Many CSOs also play the role of watchdogs, holding governments to account for commitments made. This is particularly relevant in the field of aid and development effectiveness, as commitments made at HLFs are not legally binding. There are no enforcement mechanisms to ensure actual implementation, or sanctions for non-compliance. Implementation is, as the Evaluation of the Implementation of the Paris Declaration stressed, a question of political will, which is often a consequence of public pressure exerted by independent watchdogs. The role of NGOs was best summarised by former UN Secretary-General Kofi Annan, who reminded governments that "We need the NGOs because they can do things we cannot do, and they can say things we cannot say".<sup>xxxv</sup> The BPa acknowledges the multiple roles that CSOs play as development actors: "Civil society organisations (CSOs) play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation. They also provide services in areas that are complementary to those provided by states".<sup>xxxvi</sup> In the Busan process, CSOs spoke with one voice, facilitated by the BetterAid platform. While this did promote a sense of unity, it also posed severe challenges. BetterAid argues in its Busan assessment: "Limiting civil society representation to a single interlocutor presented a monumental challenge in terms of meeting the demands of the negotiation process and responding to and capturing the diverse and complex positions of CSOs from different regions and sectors across the world".<sup>xxxvii</sup> Given the multiple roles of CSOs and the constraints on participation, the delegates faced severe challenges in attempting to contribute to all aspects of the debate and negotiations. This is the reason why CSOs demanded stronger representation in the new Global Partnership.

### ***4.3 EU sherpas finalising the Busan Partnership Agreement***

When it became clear that the WP-EFF plenary would not manage to build a consensus on the Busan Partnership in time for HLF4, a smaller group of 'sherpas' was mandated to take over and finalise the agreement. The European Union sent three sherpas to the group, from the European Commission, France and the UK. Having three representatives in the group should have given the EU some leverage, as it is supposed to speak with one voice in international negotiations with other countries, but this did not always happen in the negotiations.

The UK sherpa represented the Nordic+ donors, and also the Commonwealth donors Canada, Australia and New Zealand (CANZ) – a challenging task for a diplomat, as the Nordic+ countries and the CANZ did not go to Busan with a joint position. As a result, some of the progressive asks of the Nordic+ group were neutralised. European civil society had high expectations of the role the Nordics could play, in particular in driving progress on democratic ownership, the enabling environment for civil society organisations, and human-rights based approaches. France was selected because of its ongoing chairmanship of the G20 process, which includes the SSC provider countries. The French sherpa saw his role mainly as facilitating agreement between the DAC donors and the providers of SSC in order to replicate the consensus-building success of the G20. The European Commission sherpa was obviously tied by the common EU position. While this was a structural constraint, the European Commission could certainly have done more in the negotiations to push EU priorities such as human-rights-based approaches, the poverty focus and budget support, building on the other EU treaties and Council conclusions, which also provide a mandate for EU diplomats.



## 5. EU positioning on development cooperation effectiveness before Busan.

The European Union goes to international conferences bringing common positions. In cooperation with the rotating EU presidencies, the European Commission coordinates the positioning process, consulting EU member states through thematic Council working groups and technical seminars, and occasionally consulting other stakeholders such as the European Parliament, CSOs and academics. This results in a Communication by the European Commission. The Communication provides the basis for the political negotiations at the Foreign Affairs Council, which, finally, lead to Council Conclusions, which in turn are the mandates for EU diplomats negotiating with third countries.

According to AidWatch sources, there was a strong tendency among EU member states to avoid making any new commitments, and to avoid expanding the complex Paris Monitoring Survey exercise any further. The European Commission has restrictions on the length of its Communications, which may be no longer than 12,500 characters. This may have been insufficient for positioning on the complex development effectiveness agenda. Some experts from EU member states interviewed by AidWatch argued, however, that the European Commission should have better exploited the opportunity to add technical annexes to the Communication, and that EU negotiators should have reflected previous Council Conclusions and the principles of the European Consensus on Development.

The common EU position was endorsed by the EU's Foreign Affairs Council on 14 November 2011.<sup>xxxviii</sup> It presents an EU transparency guarantee and a move towards joint programming as central EU contributions to Busan. It also indicates the focus areas of the old aid effectiveness agenda in which the EU wants to see further progress: results and accountability, ownership, transparency, fragmentation, predictability, alignment and capacity development. The EU pushed strongly for the inclusion of the private sector and SSC providers in the Busan Partnership.

The main shortcoming is probably that the EU did not push for the BPa to be made binding. At the previous HLF in Accra it had pledged to lead by example, calling for "ambitious, measurable and reciprocal actions with a timetable for implementation". The Council proposed that new country-level compacts should be the main channel for monitoring implementation in the future, indicating a desire to scale down the global monitoring and accountability framework. The common position did not address the failure of the EU's own implementation plan, the Operational Framework on Aid Effectiveness, to drive progress among EU donors, nor did it provide a credible alternative.

Non-governmental stakeholders were consulted during the preparation of the European position, including through the Structured Dialogue,<sup>xli</sup> but the final Council Conclusion omits many points that had been put forward by the European Parliament and European CSOs.<sup>xlii</sup> The common position promotes the democratic ownership of development policies and an enabling environment for CSOs, at least as far as the partner country is concerned, but there is still room for improvement when it comes to applying these approaches at home. The EU's was primarily an intergovernmental position taken by EU member states on the basis of a Commission proposal. This differs radically from the approach chosen by the African Union: Africa went to Busan with a multi-stakeholder position, which was a consensus negotiated by a diverse group of governmental and non-governmental African development actors.<sup>xlii</sup>

## 6. The Busan Partnership Agreement: from aid to development effectiveness?

Over 3,000 participants gathered at HLF4, more than 100 of them government ministers and heads of international organisations. For the first time, civil society organisations and representatives of private business associations participated in the HLF as a formal stakeholder group. The BPa contains very few precise, time-bound commitments – it is a political declaration.

### A new partnership and discourse

Busan's main added value is perhaps that it promotes a new approach, in which relations between developed and developing countries are based on the spirit of a horizontal partnership rather than on dependence, paternalism or charity. This was a top priority for developing countries: "Ultimately, what is urgently needed is a change of mindset and behaviour that would transform current practices into a development partnership approach as called for by MDG 8".<sup>XLIII</sup> Partner countries demanded an end to donor-driven aid.

The BPa consequently changed the discourse: throughout the agreement, the term 'donor' is replaced by 'provider country', and 'aid' by 'development cooperation'. Reflecting on Busan, DAC chairman Brian Atwood stressed: "Mercifully, even the word 'aid' will bite the dust as Busan created development partnerships in the widest sense".<sup>XLIV</sup> The Busan HLF did not result in a new aid effectiveness agreement, but in the Global Partnership for Effective Development Cooperation (GPEDC).

### A broad consensus and inclusive partnership

The GPEDC reflects a broad consensus of development actors – it is endorsed by new and old provider countries, partner countries, CSOs, international organisations and the private sector. 'Enlarging the tent' to cover as many development finance flows and actors as possible was one of the key aims formulated for Busan. This succeeded, al-

beit at a high price: the question of whether China would or would not sign the declaration dominated the last weeks of the negotiating process and distracted the delegates from dealing with substantial issues and commitments. China did agree to endorse the BPa, but only on the condition that "the principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis".<sup>XLV</sup>

### Common principles, different commitments

The GPEDC binds development actors politically to a set of common principles that are to guide all their actions: ownership of development priorities by developing countries (should end donor-driven aid), a focus on results (should improve aid management and allocation), inclusive development partnerships (can make it easier for citizens' voices and needs to be heard), and transparency and accountability to each other.

### Enter democratic ownership

The Paris Declaration was criticised for a government-focused interpretation of ownership: the Busan Partnership Agreement finally makes it clear that ownership means democratic ownership. One of the key actions agreed in Busan was to "deepen, extend and operationalise the democratic ownership of development policies and processes".<sup>XLVI</sup> Democratic ownership was a key priority for the parliamentarians and CSOs engaged in the Busan process who often remain sidelined by the intergovernmental nature of decision-making in contemporary development cooperation. It is also necessary to make development cooperation work in order to promote poverty eradication and equity.

### A strong focus on results

Results are defined as "impact on eradicating poverty and reducing inequality, on sustainable development, and on enhancing developing countries' capacities, aligned with the priorities and policies defined by developing countries themselves".<sup>XLVII</sup> Developing countries will take the lead in constructing country-level results frameworks, and will define the indicators for measuring results. A new emphasis on

results was a priority for many actors who criticised the Paris and Accra agreements' focus on the technical aspects of aid delivery and management. However, an early criticism is that, once again, the results agenda emphasises the managerial aspects, results frameworks and results indicators, rather than the fundamental question of how to actually achieve better results for the people who are the intended beneficiaries of development cooperation.<sup>XLVIII</sup>

### A reaffirmation of aid effectiveness commitments

The BPa reaffirms the aid effectiveness commitments made by DAC donors and developing countries in Paris and Accra: "We each reaffirm our respective commitments and will implement in full the action to which we have already agreed".<sup>XLIX</sup> Addressing the unfinished business of Paris and Accra was a priority for partner countries, given donors' piecemeal implementation of the commitments they had given there, and also the massive own resources invested by the partner countries in implementing their share of the commitments. The BPa does not, however, contain many credible innovations suggesting how to overcome the implementation bottlenecks.

### Time-bound commitments on aid transparency

At Busan, serious time-bound commitments to implementing a "common, open standard" for aid transparency were achieved. The agreement called for the reconciliation of three existing systems: the International Aid Transparency Initiative (IATI), the DAC's Creditor Reporting System (CRS) and the DAC's Forward Spending Survey (FSS). These collectively contain the main elements of the Busan aid transparency commitments: a common format, the timeliness and comprehensiveness of the information, and forward estimates. The Busan Partnership Agreement called on all participants to agree on the standard, publish implementation schedules by December 2012 and implement it fully by 2015.

## BOX 2

### Time-bound Busan commitments

2012: Review plans to accelerate the untying of aid.

By June 2012: Agree on selective, relevant indicators and targets to monitor the Busan commitments.

By June 2012: Agree on working arrangements for the Global Partnership and phase out the Working Party on Aid Effectiveness.

By end of 2012: Publish implementation schedules for the common, open standard for the electronic publication of information on development cooperation resources (with the aim of implementing it fully by 2015).

By end of 2012: Agree on principles and guidelines on reducing the proliferation of multilateral channels, and improving the coherence between the policies on multilateral institutions.

By end of 2012: Agree on principles to address the issue of countries receiving insufficient assistance (aid orphans).

2013: AAA donors to provide indicative forward-spending and/or implementation plans to all developing countries with which they cooperate.

By 2013: Make greater use of country-led coordination arrangements, including division of labour as well as programme-based approaches, joint programming and delegated cooperation.

### Using country systems as the default option

The BPa included the commitment to “use country systems as the default approach”, strengthening the Accra commitment to use them as the first option. This was the ‘red line’ for African sherpas in the negotiations ahead of and at HLF4. If duly implemented, using country systems as the default approach could become a fundamental game-changer. It would end the parallel implementation by the numerous bi- and multilateral aid agencies, and provide a fundamental solution for many of the flaws in current aid provision.

### Enabling environment for CSOs

The GP recognises the diverse roles of CSOs as development actors, and governments have undertaken to “implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights”. It also acknowledges the Istanbul principles for CSO development effectiveness.

### Human rights and gender equity

The BPa acknowledges that efforts to achieve gender equity and women’s empowerment need to be accelerated. It devotes only one paragraph to gender equity, however, including a commitment to using sex-disaggregated data to make the targeting of public expenditure more equitable, to introducing targets on gender equality and empowerment in accountability mechanisms, and to integrating them in all “aspects of our development efforts”.

## 7. Unfinished Busan business – what’s missing?

### Targets, timelines and indicators:

The Busan Partnership Agreement contains a good deal of narrative but hardly any targets, timelines, indicators, action plans or other features necessary for translating rhetoric into action and real change on the ground. Many concrete demands – such as the partner countries’ call to “untie all aid by 2015” – were dropped during the negotiations.

The BPa stresses that “We recognize the urgency with which these actions must be implemented”.<sup>1</sup> It gives little guidance, however, on how this implementation is actually supposed to work in practice, or by when. HLF4 put a tremendous burden on the follow-up process as even the important decisions on monitoring and governance were deferred to June 2012.

### Operationalisation:

As a political agreement with a strong focus on principles, the BPa is very difficult to grasp for the practitioners on the ground who are supposed to work with it. HLF4 failed to append an action and implementation plan to the political agreement, at a time when the political leaders were still present and paying attention. A large part of the follow-up work is left to the so-called Building Blocks, which are voluntary initiatives by ‘coalitions of the willing’. None of these has a global reach, and their working arrangements are largely unclear to the new GPEDC, whose working arrangements and effectiveness are similarly unclear at this stage.

### Progress on the core aid-effectiveness agenda:

Little progress was made on filling the remaining gaps in the core agenda for aid effectiveness. The few commitments that were made are, however, among the few time-bound ones in the declaration (see Box 2).

On fragmentation: The decision was merely to make greater use of country-led coordination arrangements (including

joint programming), and to reduce the proliferation of multilateral channels.<sup>LI</sup> Not surprisingly, governments did not address the problem that there are simply too many bilateral players in each particular field.

On spending: The BPa calls on providers to make further progress on untying aid, and in 2012 to review plans to achieve this – one of the few time-bound commitments. They also acknowledge that untying can represent opportunities for local procurement and employment, which is a step away from the cost-efficiency view and towards development effectiveness. Whether it will be sufficient to boost real and sustainable monetary transfers to the South remains to be seen.

On allocation: The commitment “to accelerate efforts to address the issue of countries that receive insufficient assistance” highlights the fact that it is well past time to address the fact that countries of strategic interest are often swamped with aid, while those who need it most receive too little.

#### Human rights-based approaches:

Reference to human rights do feature, very vaguely, but a stronger reference to human-rights based approaches was sacrificed in favour of including the new providers in the agreements. The BetterAid platform stressed in their assessment that “The task of ensuring rights-based approaches is not one for CSOs alone — it requires commitment from all stakeholders in development”.<sup>LII</sup>

#### Gender mainstreaming:

Real mainstreaming of gender equity, with a focus on implementation, was sacrificed to fitting gender equity into one paragraph – a paragraph that does not contain any targets or time-bound commitments, and partly recycles old commitments from Accra. CSOs also stressed that gender equity and women’s empowerment are matter of human rights – the BPa describes them as prerequisites for inclusive growth.<sup>LIII</sup>

#### Private-sector accountability:

The private sector paragraph focuses on an enabling environment for its investment. There is no reflection on private-sector accountability, on how to reduce the harm caused by private investment, or how to align private financial flows with democratically defined development priorities. The private sector did not undertake to produce development effectiveness commitments comparable to the Istanbul standards developed by CSOs, nor is there any indication that this is upcoming. The business associations present in Busan also made it clear that they endorsed only the private sector paragraph (§32), not the whole BPa. That being so, the vast majority of (potential) development finance still remains outside a development effectiveness framework.

#### The European Union:

The European Union, which played a leadership role at the previous HLFs in Paris and Accra, unfortunately lacked such ambitions in Busan. CONCORD judged that “the European Union was a ghost at the global aid summit”.<sup>LIV</sup> The negotiations there were dominated by the question of whether or not China would join the new Global Partnership, and by the USA’s reluctance to make binding commitments on untying aid or using country systems. While the EU Council had stressed before Accra that “human rights, democracy and the rule of law are fundamental underlying principles for each development agreement”, in Busan the EU endorsed an agreement in which only tiny traces of these fundamental principles appear.

## PART THREE: Towards development effectiveness? Implementing the new agenda in Europe

### 8. After Busan: a new era for development cooperation?

#### The New Global Partnership – more effective than the WP-EFF and the HLFs?

The post-Busan governance structure is supposed to reflect the evolution of the aid effectiveness process since its early beginnings in Rome, and the most recent transformation into development effectiveness decided on in Busan. The main features of the GPEDC are:

- Ministerial-level meetings: ministerial meetings roughly every 18 months replace the High-Level Forums on Aid Effectiveness.
- Steering Committee: the 15-member Steering Committee replaces the Working Party on Aid Effectiveness.
- UN-OECD support: secretariat support is provided jointly by the OECD and the UN, rather than just by the OECD.

The mandate of the new GPEDC is to support the implementation of the Busan commitments and hold the parties to account. It is also to facilitate knowledge exchange, and to maintain the political momentum of the effectiveness agenda.<sup>LV</sup> According to the DAC, it can make a relevant contribution to achieving the MDGs and to the process of designing a new development framework post-2015, as it is a place where the 'what to achieve' and 'how to do it' can be discussed simultaneously.<sup>LVI</sup>

The setting up of ministerial meetings aims to ensure continued political leadership and ownership of the aid and development effectiveness process, as the lack thereof had been identified as a major constraint on the full implementation of the Paris and Accra commitments. Ministers are also meant to ensure political accountability for implementation and to debate future steps, based on evidence gathered about the implementation of the aid and development effectiveness commitments. It has yet to be agreed how the participation of non-governmental stakeholders in these meetings is supposed to work in practice.<sup>LVII</sup>

EU countries will be represented mainly by their development ministers. At present, the responsibility for non-aid

flows in EU provider countries often lies with other ministers. Serious cabinet-wide consultations will therefore be needed so that EU development ministers can persuade their colleagues to act consistently and put development and poverty eradication at the forefront of the EU's external actions, as envisaged in the EU treaties and policy guidelines.

The Steering Committee's role is to guide and supervise the implementation of the Busan commitments on a permanent basis, and to set the agenda for ministerial meetings. The Steering Committee is smaller than its predecessor, and thus less inclusive in terms of the number of parties represented. It is supposed to be representative, however, as it includes participants from all relevant stakeholder groups, and for the first time allocates more seats to recipients (five) than to bilateral donors (three). CSOs have nevertheless filed a formal complaint: the fact that they have been given only one seat at the table makes it difficult to represent the whole spectrum of CSOs and the many different roles they play as development actors.<sup>LVIII</sup> For the time being, the only seat is being taken by a representative of the women's rights network AWID, indicating the high priority CSOs give to gender equity and empowerment in the development effectiveness process.

While all DAC member states from the EU and some non-DAC members took part in the WPEFF, the European Commission is the only EU actor with a seat at the table. This means that the EU will now begin to speak with one voice. In the dialogue between the GPEDC process and the 27 EU member states, the Commission has the role of main representative with the responsibility both to articulate the EU's positions and to drive EU-wide implementation of the Busan development effectiveness and previous aid effectiveness commitments left over from Paris and Accra. To date, there is no sign that the Commission is setting up new structures or building up new capacity in order to fulfil this strengthened role.

The GPEDC Steering Committee is co-chaired by three ministers, representing providers (United Kingdom), recipients (Nigeria), and countries that are both (Indonesia). This new model was intended to strengthen the position

of new providers by allocating them a leadership role. With UK Secretary of State Justine Greening, another European plays a key role in the GPEDC. Greening however cannot ensure pan-European ownership of the GPEDC process, nor can she drive pan-European implementation. This is clearly the European Commission's role.

#### Accountability: monitoring the Busan Partnership agreement

The Busan Partnership agreement, like its predecessors from Paris and Accra, suffers from a weak accountability framework. In contrast to international trade agreements, there are no legal mechanisms to enforce compliance with the agreements made, or to sanction non-compliance. Yet the GPEDC can only deliver on its claim to be a true partnership if the implementation of commitments is even, and if providers catch up on the implementation of their Paris and Accra commitments.

For the time being, the main mutual accountability mechanism on a global level will be the Busan Monitoring Framework, which will replace the Paris framework.<sup>LIX</sup> It will also be the main tool for measuring the progress made against the commitments given. A set of 12 indicators measuring 10 areas was defined in a consultative process by the Post-Busan Interim Group, and was endorsed at the last meeting of the WP-EFF in June 2012. The global monitoring is supposed to be complemented by recipient country-level monitoring using selected indicators. Additional action at the regional level, such as the EU's own Accountability Report, will need to fill the gaps in order to ensure that providers are held to account for the implementation of all their Paris, Accra and Busan commitments.

Some indicators in the Busan Monitoring Framework have been retained from the Paris Monitoring Framework – officially those that have been identified as relevant by partner countries. Some, however – such as the one for measuring fragmentation and proliferation – were eliminated as a result of political pressure from provider countries. Four out of the five indicators that have been eliminated measured donor performance. It will now be increasingly difficult to measure further progress and compliance in these areas,

as there will be no comparable data in the future. The EU governments' push to introduce a 'global light and country heavy' monitoring system makes it increasingly difficult to hold them to account.

Indicators on the enabling environment for CSOs, gender equity, transparency, and the private-sector contribution to development have been added to facilitate the monitoring of emerging issues in the Busan Partnership agreement, or fill gaps identified in the Paris Monitoring Framework. This is a clear improvement on the Paris framework. A survey of partner country officials and CSOs, however, conducted by UKAN on behalf of CONCORD and its members, had identified four additional indicators that should be introduced into a new framework in order to close the most serious gaps. These are indicators on reducing conditionality, on providing technical assistance in ways that ensure genuine capacity-building, on reducing fragmentation, including through a division of labour, and on the human rights impact of development cooperation.<sup>LX</sup>

Busan monitoring is designed to inform the broader political dialogue on development effectiveness. It does not monitor development outcomes, which is done elsewhere, e.g. by the UN's MDG Progress Reports. Progress reports will be produced for the ministerial meetings, roughly every 18 to 24 months.

**TABLE 1:**  
What will be measured? The Paris versus the Busan monitoring framework

Paris Monitoring Framework	Busan Monitoring Framework
<b>Area of continued monitoring:</b>	
Quality of country PFM and procurement systems	
Use of country PFM and procurement systems	
Aid is untied	
Mutual accountability: countries conduct mutual assessments of progress	
<b>Continued area, new approach or indicator:</b>	
Aid flows are reported on budget	Aid flows are on budget, and subject to parliamentary scrutiny
Aid is more predictable: disbursed within the fiscal year for which it was scheduled	Development cooperation is more predictable Annual: disbursed within the fiscal year for which it was scheduled Medium-term: aid covered by indicative forward spending plans
Results frameworks: developing countries have performance assessment frameworks	Results frameworks: all providers of development co-operation use country results frameworks (indicator tbc)
<b>Discontinued area:</b>	
Partners have operational development strategies	<b>Newly monitored area:</b> Civil society organisations: the enabling environment for CSOs (tbc)
Donors provide coordinated technical cooperation	Private sector: engagement and contribution to development (tbc)
Donors avoid parallel implementation structures	Transparency: information on development co-operation is publicly available
Donors use common arrangements or procedures (programme-based approaches)	Gender: developing countries have systems that track resource allocations for gender equality and women's empowerment, and make them public

Table prepared by CONCORD AidWatch based on: GPEDC (2012): *Proposed indicators, targets and process for global monitoring*, p. 8; and OECD: *The Paris Declaration and the Accra Agenda for Action*; pp. 9-10.



Participation by both providers and recipients is on a voluntary basis, which may lead to a distortion of the results as it is to be expected that bad performers in particular will refuse to participate. The fact that a 'multi-stakeholder validation' of the findings is planned may symbolise the participatory nature of the monitoring exercise. It could also falsify the results, however – compared to a genuinely independent evaluation – as the finding may become subject to political capture and many get lost in consensus-building processes. Nevertheless, the multi-stakeholder validation is progress compared with the early days of Paris monitoring, when evidence was what found consensus among donors.

Additional qualitative information is supposed to be gathered through the review of other, existing monitoring efforts, such as those by the UN DCF or by CSOs. This will be absolutely essential, as the indicators once again monitor only a small proportion of the total aid and development effectiveness commitments made in Paris, Accra and Busan – inter alia owing to pressure from the European Union, which stated in its position for Busan that no new indicators should be developed at this time.<sup>LXI</sup>

## 9. From process to progress: reforming EU development policies

Setting up the new Global Partnership kept the parties busy for the first half of 2012. With no such body in place, and the monitoring framework unfinished, there was little pressure on governments – providers and recipients alike – to actually implement the commitments that had been made, many of which are phrased in vague political and diplomatic jargon, and first require operationalisation.

For the time being, implementation has to be driven by other, existing structures with less than global reach. Good, if late, practice came from the DAC: DAC chair Brian Atwood has sent a letter to all development ministers, calling on them to report on the actions taken to implement the time-bound commitments made in Busan, for a political debate and peer review at the DAC High-Level Meeting. The DAC Member States' responses were not made public, however, and the DAC reaches only some EU member states.

### The Agenda for Change: policy reform to improve development effectiveness?

Meanwhile, the European Commission has been promoting a new development policy similar to Busan's development effectiveness consensus, the so-called "Agenda for Change". This now complements other policy frameworks such as the European Consensus on Development. It outlines a two-pillar approach for EU development cooperation. The first pillar is to promote human rights, democracy, the rule of law and good governance, while the second pillar promotes inclusive, sustainable growth. The first pillar includes the human-rights based approaches and gender equity, the second includes actions relating to social protection, health, education and support for agriculture. This reflects the development effectiveness compromise negotiated in Busan, which states that aid will be spent "in ways that are consistent with agreed international rights" but that "development is driven by strong, sustainable inclusive growth..."<sup>LXII</sup>

The new policy emphasises that the EU and its member states remain firmly committed to the goal of eradicating poverty, but the new two-pillar approach that guides the EU's Agenda for Change is likely to reduce the EU aid allocated for direct poverty-related intervention, favouring instead an indirect approach via the promotion of growth and rights. It remains to be seen if this will lead to better poverty eradication results in practice. On the one hand, advocates such as the CSOs in the BetterAid platform called on governments to address the 'root causes of poverty' by empowering poor and vulnerable people to claim their rights. This speaks for the approach chosen by the EU in the first pillar. On the other hand, while growth is necessary to overcome income poverty and aid dependence, there are currently few examples of equitable, pro-poor growth that would justify the optimistic belief, put forward in the Agenda for Change, that the benefits of growth would trickle down and reach the poor.

The Agenda for Change also tries to introduce a more systematic approach to EU aid allocation, with aid in the future to be spent in "countries where it has the greatest development impact in terms of poverty eradication". The selection is to be based on four criteria: country needs, country capacity, country commitments and performance, and potential impact. A country's "commitment to and record on human rights, democracy and the rule of law, ability to conduct reforms and to meet the demands and needs of its people" is to determine the mix and level of ODA it receives. However, the EU also states that it wants to focus on its neighbourhood countries, sub-Saharan Africa and other LDCs, that it wants to remain engaged in fragile states, and that it will continue to cooperate with other countries in Latin America and Asia. This suggests that aid allocation patterns are unlikely to change to a rules-based system that pursues the aims of poverty eradication and the vindication of human rights. In practice, EU aid allocation will continue to be influenced by security and strategic interests, post-colonial ties, and political and economic considerations.

### BOX 3

#### What is development effectiveness?

Development effectiveness is broader than aid effectiveness. Among its main features are:

- that it focuses on the results or outcomes achieved by development actors, rather than on the inputs they provide
- that it encompasses additional development finance, over and above aid

This is as far as the consensus goes. In practice, development effectiveness means different things to different people, which is what led to debates in the run-up to HLF 4 in Busan. For the citizens' groups involved in the process, development effectiveness aims to empower poor and marginalized groups and improve their living conditions: "Development effectiveness promotes sustainable change that addresses the root causes as well as the symptoms of poverty, inequality, marginalization and injustice". Consequently, effective development cooperation must first and foremost respect, protect and meet international human rights standards. The position at the other extreme is taken by the multilateral development banks (MDBs): development effectiveness is here primarily to maximize the impact of development finance on economic development and growth.

The compromise negotiated for Busan (§28 and following) merges the "rights" and "growth" approaches, giving much stronger emphasis however to the "growth" dimension – an outcome that reflects the different weight and influence of MDBs and citizens' groups in the negotiations. The European Union did not participate very actively in this debate. In its two-pillar strategy, however, the EU's new "Agenda for Change" development policy reflects a compromise between the two approaches.

On the non-aid sources of development finance, the EU is planning to use more ODA to mobilise private investment, by promoting the 'investment climate' in developing countries and subsidising private investment with aid grants and public guarantees. Few credible actions are envisaged to regulate private investment effectively in order to improve its social returns and overall development effectiveness, however, so the new focus on the private sector is likely to result in EU investors benefiting from EU aid, rather than poor countries benefiting from private investment.

Many other ongoing policy processes<sup>LXIII</sup> in the EU can be related to the commitments made in the BPa, but it is unclear to what extent these processes are influenced by the new Global Partnership agreement, or the other way around. The evaluation of the Paris Declaration already found that the Paris principles largely reflected reform processes that were already underway. This seems to be the case with Busan too: it is unlikely that any of the policy reform processes under way in the EU was actually triggered by the Busan Partnership agreement.

In general, when it comes to improving the development effectiveness of aid post-Busan, the EU puts a strong emphasis on recipient country-level processes. EU providers are supposed to support country-level results frameworks and mutual accountability frameworks in recipient countries, and to make use of these and other country systems. Setting up such systems may improve aid management, but they also lead to new bureaucratic burdens for partner countries with limited capacity. Reducing this burden was one of the main rationales for the aid effectiveness agenda.

There appears to be less action on getting the homework done. Paris, Accra and Busan are comprehensive agreements designed to increase the development effectiveness of aid. The new EU policy, however, has decided to prioritise strictly and implement selectively. Focus areas are to improve the transparency of EU development cooperation, to reduce its fragmentation and to improve the coordination of the 27+1 EU providers among themselves, and with others. The latter aim is strongly related to joint programming. The major policy documents published by the EU since Busan remain silent on how to make progress with the time-bound commitments in the BPa.

EU development ministers seem keen to avoid the uncomfortable confrontation with powerful interest groups at home, such as other line ministries, parliamentary budget committees, or business lobby groups. Such confrontation is, however, absolutely necessary for the full implementation of the comprehensive development effectiveness agenda, as this requires coherent and holistic 'whole of country' approaches which put poverty eradication and development at the forefront of external actions.

## 10. EU implementation of development effectiveness agreements in practice

One of the main purposes of this AidWatch report was to map and assess what European governments have been doing since Busan to implement aid and development effectiveness commitments. Owing to the lack of publicly available implementation plans, and the fact that responsibility for the comprehensive development agenda is spread over many departments, it was not possible to get a full overview of all post-Busan activities in the EU. To fill information gaps and get at least an anecdotal view, we interviewed a sample of experts across Europe.

The little that has been done by EU providers so far is mainly related to institutional reform: disseminating the Busan documents among ministry/agency officials and country offices, setting up new working groups, and in some cases revising guidelines and policy documents to reflect the Busan principles. No fundamental institutional or legal change has been found. Our survey, however, was able to draw some general conclusions on the state of implementation in Europe:

**No sense of urgency:** EU providers are at a very early stage of implementation. Throughout the Union, there is no sense of urgency, and limited ambition to implement. Several interviewees mentioned that they are waiting for the GPEDC governance structure to be set up, and the indicator set to be finalised, in order to have better guidance on prioritisation. This indicates that the non-monitored commitments will receive much less attention – including those left over from Paris and Accra.

**Targets and deadlines do matter:** Efforts are being made to implement the time-bound commitments of Busan, in particular the one on transparency. The few time-bound commitments have also been the focus of the DAC's accountability actions since Busan and will shape the agenda of its upcoming Senior- and High-Level Meetings. This indicates that the narrative parts of the BPa will have far less practical relevance and impact. It also justifies the warnings

by WP-EFF co-chair Bert Koenders in the preparatory process, that "if there are no dates, nothing will happen after Busan".

**Unfinished business may remain unfinished:** Busan fully reaffirmed Paris and Accra and called for full implementation. But there is a risk that practitioners will focus their attention on Busan and neglect the previous commitments. One interviewee stressed that, in practice, they always look at the latest agreement: "From a human perspective, how much can you handle?" For the EU's partner countries, however, it was a priority to address the unfinished business first. So we need to see an extra effort to make sure that the full agenda is implemented and that the EU delivers on the remaining Paris and Accra commitments.

**The new focus on "results" is appealing for many:** In several EU member states there are new or stepped-up efforts on results-based management, results monitoring and results reporting (to home-country constituencies). A stronger focus on results can make aid allocation more predictable and improve development outcomes. However, "reducing the burden" of aid management and lowering transaction costs – for all parties involved – was one of the key aims of the aid effectiveness agenda. It remains to be seen whether the new focus on results will actually lead to better results that justify the cost of the bureaucracy currently being set up for results management. Much of this burden falls on developing countries, which are facing increased pressure to provide results information for the satisfaction of donors.

**Uneven intra-EU implementation:** Some EU countries are moving faster than others. Ironically (while our sample was small, and this needs verification as soon as more data becomes available), it seems that roughly the countries that were most committed to implementing Paris and Accra – and most successful at it – are the ones that are also making the most effort to implement Busan (see Graph 1). So far there are no comprehensive datasets on implementation in certain areas that would cover all providers or parties. One exception is untied aid, where the DAC recently assessed post-Busan progress. The DAC survey found that seven providers have developed vigorous plans to untie aid further, and Italy intends to promote local procurement as a

complement to untying. The majority of donors, however, have just modest plans or none at all.<sup>LXIV</sup>

In the EU12 countries which are outside the range of the DAC, little action is seen overall (with Romania being one exception). This indicates that the European Commission as 'guardian of the treaties' does indeed have an important role to play in driving full, EU-wide implementation of aid and development effectiveness commitments.

**Uneven North-South implementation:** Selected government officials and CSO partners in the South who we contacted informed us that things are happening in their countries. Busan principles are being streamlined for instance in national aid policies (Ghana) or mutual accountability frameworks (Kenya). This may confirm the findings of the evaluation of the Paris Declaration that recipients are making more efforts to fulfil their commitments than providers, even though the share of the burden that falls to them (Busan put a strong focus on country-led actions) is even greater than after Paris or Accra.

**Selective implementation:** For many EU providers, Busan seems to be a 'pick and choose' declaration. In practice, different EU providers prioritise different areas of the BPa. Sweden, for instance, is to be lauded for being a frontrunner as the only EU member state (we found) that has so far produced a detailed national implementation plan. This plan, however, focuses on transparency, results and the private sector – the three areas that were already Sweden's priorities before Busan. It is not the intention of an international agreement that the parties should merely continue to do what they had been doing anyway, even in absence of the agreement.

**The same can be said of the European Commission:** Post-Busan action is taking place, in particular, in the areas of joint programming and transparency – the two areas that were the pre-Busan priorities of the EU, as indicated in the Council Conclusions of November 2011. We make no judgment as to whether or not these are the most relevant areas for making EU aid effective for development. But since these are the main areas where reform processes are actually under way, it is worth taking a closer look at them.

## PART FOUR: Thematic Chapters

### 11. Aid transparency: the cornerstone of development effectiveness

Development cooperation can help lift people out of poverty and give assistance to those living in acute deprivation. But for it to realise its full potential we need to know more about how it is spent, where, and by whom. If aid is truly to deliver on its promise, transparency is essential.

There is currently too little readily available information about aid, and this undermines the efforts of providers, recipients and civil society to promote development and accountability. At the moment, providers lack information about what other providers are spending or planning to spend. This is leading to duplication of effort in some areas and underfunding in others. Without aid transparency, donors struggle to coordinate their activities effectively (for example by undertaking joint programming) in order to achieve the maximum impact with their resources.

Recipient governments struggle to find out even how much aid is being invested in their countries, let alone where and how it is spent. To make the most effective use of their own resources alongside those provided by donors, recipients need more information. When providers don't publish their spending plans, this impedes the recipients' ability to plan their own budgets and identify priorities, which in turn hinders development. And when recipients can't include aid flows in their budgets and planning, parliament and civil society cannot hold them fully to account.

Civil society in recipient countries has the right to know what aid is coming into the country and what it is being used for. Because aid information is difficult to find, and is not provided in a comparable format, NGOs, legislators and citizens are hampered in their efforts to hold governments to account. This lack of transparency can lead to waste, and increases the potential for corruption. Civil society in provider countries also has the right to know where aid is being spent, on what, and what it is achieving. More and better information about aid will increase the incentive to improve the effectiveness of aid and will meet taxpayers' need to know that money is being well spent.

The starting point for ensuring that aid makes a difference is to have timely, comprehensive, comparable and accessible information on who is giving what, where it is going and the impact it is having. If it is to facilitate effective spending, evaluation and accountability, aid information needs to be published regularly and made freely available. All providers need to publish the information in a common format that meets the needs of the different users, including recipient governments, other providers, and citizens, in both donor and recipient countries. Full involvement by all public and private bodies engaged in the funding and delivery of aid would mean that the big picture, showing all aid flows, would be available for everyone to see.

For aid information to be useful it needs to follow four core principles:

1. Information on aid should be published proactively
2. Information on aid should be comprehensive, timely, accessible and comparable
3. Everyone should be able to request and receive information on aid processes
4. The right of access to information about aid should be promoted

## Moving forward on aid transparency after Busan

A large number of European donors have repeatedly signed agreements to improve aid and transparency, including at the High-Level Forums on Aid Effectiveness. These commitments remain very ambitious and far-reaching, although so far donors have struggled to implement them.

In the Paris Declaration, providers committed to reform the way in which they manage and deliver aid, including by improving predictability, ownership and integration and reducing duplication and fragmentation.<sup>LXV</sup> The commitments made in the Accra Agenda for Action included pledges to “publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure”.<sup>LXVI</sup> The multi-stakeholder International Aid Transparency Initiative (IATI) was also launched in 2008 in Accra. IATI is an open data standard specifically designed to promote aid transparency and meet the information needs of donors, recipient country governments and other stakeholders. IATI signatories currently represent 75% of Official Development Finance (ODF).<sup>LXVII</sup> (See Box 4.)

Although some progress on aid transparency has been made since Accra, the broader aid effectiveness commitments made in 2005 and 2008 are still some way from being met.<sup>LXVIII</sup> Providers recognised this in the build-up to HLF4, when they were under mounting pressure to live up to their commitments. Wanting to prevent Busan from being seen

as yet another round of empty promises, and wishing to capitalise on its potential, several donors began publishing to the IATI Registry on the eve of the Forum.<sup>LXIX</sup> This demonstration of political will and technical delivery to the new standard contributed to the concrete and time-bound commitments agreed by all parties at Busan, making transparency stand out as one of the notable successes of HLF4.

In the Busan Partnership for Effective Development Cooperation, providers committed to “implement[ing] a common, open standard for [the] electronic publication of timely, comprehensive and forward-looking information on resources provided through development cooperation” by 2015, taking into account the statistical reporting of the OECD-DAC and IATI. They also committed themselves to publishing their implementation schedules by December 2012.<sup>LXX</sup>

In July 2012 the WP-EFF endorsed a common, open standard for publishing aid information, incorporating schema from both IATI and the Creditor Reporting System of the OECD-DAC.<sup>LXXI</sup> Now the time has come for actual implementation. Progress to date on aid transparency at the European level has been disappointing. While the European Commission<sup>LXXII</sup> and a number of EU member states (most notably the Netherlands, Sweden and the United Kingdom) have been leading the way by promoting IATI, and regularly publishing their data to the IATI standard, the EU as a whole has lacked ambition in this area.

### BOX 4

#### The International Aid Transparency Initiative

IATI is a multi-stakeholder initiative with 34 donor signatories and 22 partner country endorsers. It is led by a Steering Committee comprising representatives of donors, partner countries, aid information experts and civil society. Donors agree to sign up to the IATI Accra Statement and endorse the Framework for Implementation. European signatories include: Denmark, the European Commission, Finland, Germany, Ireland, the Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom.

Partner countries can endorse the initiative, demonstrating that they support IATI and want to be involved in shaping it. There are five CSOs on the Steering Committee. There is also a Technical Advisory Group that includes over 100 experts advising on different aspects of the standard.

For additional information on IATI visit: [www.aidtransparency.net](http://www.aidtransparency.net)

## The EU Transparency Guarantee

In December 2010 the EU recognised the need to increase the transparency of its aid volumes and allocations, as well as making future country-level spending plans available.<sup>LXXIII</sup> Nearly a year later, in the run-up to HLF4, it introduced an EU Transparency Guarantee, committing itself to “publicly disclosing information on aid volume and allocation” and ensuring that “data is internationally comparable and can be easily accessed, shared and published”.<sup>LXXIV</sup> As the focus now shifts to implementation, the Commission and EU member states need to strengthen the transparency guarantee, outlining how they will work together to implement their Busan commitments on aid transparency.

The EU has also agreed to explore using the TR-AID<sup>LXXV</sup> (Transparent Aid) system to share information at EU level. The system remains shrouded in secrecy, and to date no partner country or CSO has been involved in its design. While efforts to improve the collection of information on EU aid can be useful for internal coordination, it remains to be seen whether TR-AID will enable EU member states to implement their Busan commitments on aid transparency. It is important to note that the IATI component of the common standard allows for the comparability of aid information across all donors, and not only within the EU. As a first step, TR-AID must be made open-source and public, to ensure that information is accessible to partner countries and civil society organisations.

## Assessing levels of aid transparency in Europe

This year’s assessment follows on from the 2011 Pilot Aid Transparency Index and last year’s AidWatch report.<sup>LXXVI</sup> The methodology is detailed in the 2012 Aid Transparency Index, which sets out the full list of indicators, the definitions used and how indicators are grouped and weighted.<sup>LXXVII</sup> The primary data source for the Index is a survey, initially completed by CONCORD’s members, which was also aimed at all EU member states and the key EU institutions that manage external assistance (DG DEVCO, DG Enlargement, ECHO and FPI).<sup>LXXVIII</sup> Survey respondents were asked

to search organisations’ websites, documents and databases to check the availability of 41 different types of information. The information had to be current,<sup>LXXIX</sup> and proof of the existence and availability of the information had to be provided in the form of a URL or web link. Donors were given the opportunity to review the surveys and provide clarification and corrections.

Two further indicators were included, to assess the commitment to aid transparency and the accessibility of aid information.<sup>LXXX</sup>

These were:

1. The quality of the organisation’s Freedom of Information Act (or equivalent disclosure policy); and
2. The organisation’s engagement with the International Aid Transparency Initiative.

The data for all 43 indicators was then collated, checked and weighted before being used to develop the ranking included in the 2012 Index.

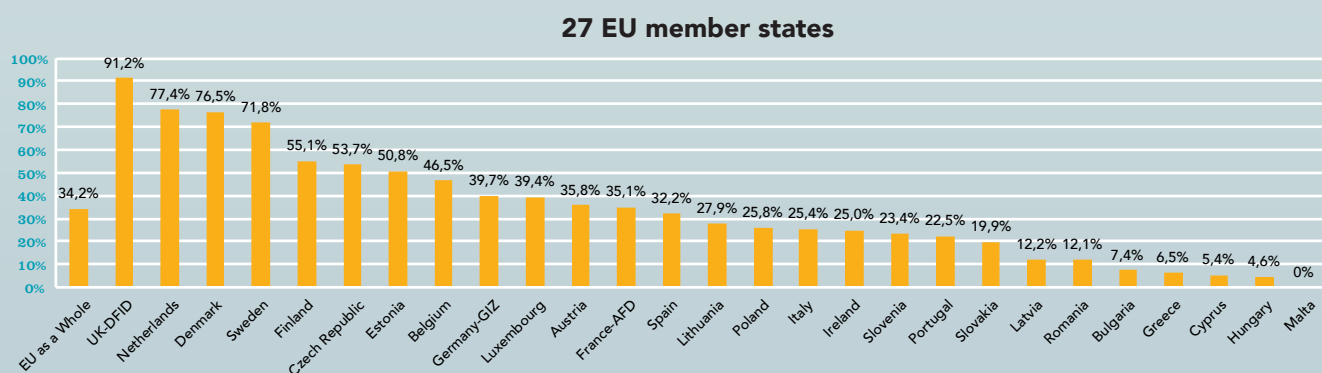
## Results: High fliers and poor performers

The 2012 Index shows some striking results, with wide variations across the EU and its member states. No provider currently publishes all 41 aid information types, and one provider publishes no information about its aid activities systematically (Malta).

On average the EU member states underperform, lagging behind the non-EU bilaterals surveyed in the 2012 Index. The average score of the EU-27’s main aid agencies is 34.2%, compared with an average score of 40.5% for non-EU bilaterals. Slightly more than 70% of EU member states have ‘poor’ or ‘very poor’ aid transparency (compared with 40% of non-EU bilaterals), while only 14.8% of EU member states have ‘moderate’ transparency (compared with 60% of non-EU bilaterals).



**GRAPH 2:**  
Comparison of EU Member States



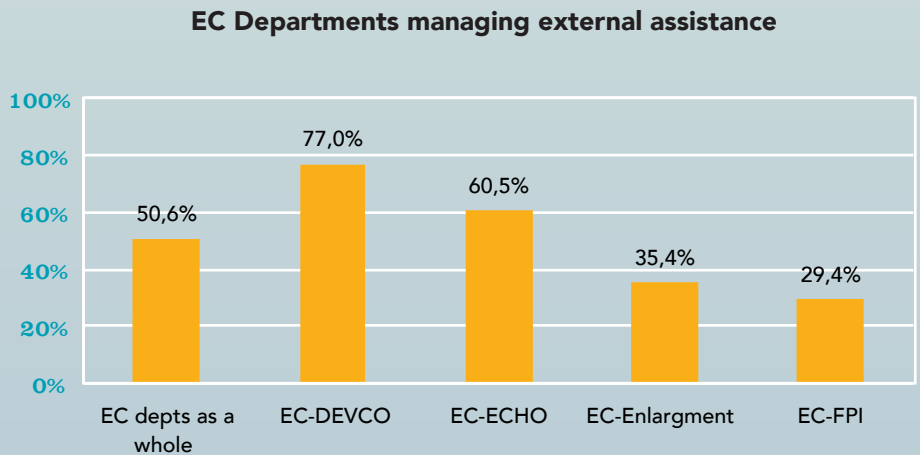
The graph shows the 27 member states' principal aid agencies. Other aid-spending public bodies in large donor countries were included in the 2012 Index, such as France's Ministry of Foreign Affairs and Germany's KfW, to obtain a more comprehensive picture of transparency across several aid-spending departments.

There are good performers among emerging and traditional providers, and among large and small EU member states, which suggests that all aid agencies should be able to deliver on their aid transparency commitments. Some organisations have made substantial improvements in 2012. DFID is the only member state in the 'good' category, scoring an impressive 91.2%, followed by the Netherlands, Denmark and Sweden which all score in the 'fair' category. Disappointingly, the EU's second- and third-largest donors – France and Germany – both score in the 'poor' category, though Germany only just missed a 'moderate' rating.

The 'very poor' category is composed of EU-12 member states, with the exception of Greece. However, the Czech Republic – one of the smallest aid donors – is the sixth best performer, scoring 53.7%, just slightly behind Finland, which scored 55.1%.

It is clear that some types of information are much more readily available than others. More general information such as strategy, annual report, allocation, procurement, tenders, country database, implementing agency, project title and overall project cost is available in each case for more than half of providers (14 or more member states). On the other hand, some types of information are very hard to access. Audits of country programmes, project impact appraisals, project design documents, activity budgets, contract awards, Memoranda of Understanding (MOUs), results and outcomes of activities, and evaluations – are all much less readily available, being published by four or fewer providers in each case (less than 15%).

**GRAPH 3:**  
Comparison of European Commission departments managing external assistance



Graph 3 above includes the Commission’s departments that deal with most of its external assistance. There is a wide variation in transparency, with DG-DEVCO leading by example. DEVCO is the only department currently publishing to the IATI Registry. Using indicators comparable between the 2011 and 2012 Indices, DEVCO showed a 17.9 percentage-point improvement, largely owing to their scoring on the evaluations and results indicators for the first time.<sup>LXXXI</sup> Most project information is found in DEVCO’s comprehensive IATI data files and in a comprehensive database. ECHO performs well at the activity level thanks to its good database,<sup>LXXXII</sup> but there are a number of additional information items that it could publish quite easily if it published to IATI.

DG Enlargement scored less well, in part because the various different websites – on which patchy information is published – provide a very incomplete picture of its development assistance. The FPI performed particularly poorly at the activity level, mainly because it only publishes project information in retrospective annual reports, which give no indication of the activities launched in 2012. Only five categories of information are consistently published by all four

EC departments: strategy, annual report, procurement, tenders and implementing agency.

**Format and usefulness**

The survey used to collect the data included in the 2012 Index was designed to capture only whether or not donors publish information, not the format the information is provided in. However, publication format does matter, as it can limit the use of data in terms of accessibility, re-use and comparability with other donors’ aid information. The format the information is provided in is vital if more information is to mean better information. IATI has a standard format for providing timely, comparable and comprehensive information, and is therefore an ideal mechanism for European donors to use in order to implement and deliver on their Paris, Accra and Busan commitments, as well as to improve how they disclose aid information.

## From promises to action: delivering on Paris, Accra and Busan

The 2012 Index results indicate that, even though progress is modest and uneven, aid transparency is on the rise. One member state (UK-DFID) was given a 'good' rating for the first time, and several others made considerable improvements, especially Denmark, Sweden, the Netherlands, Poland and the Czech Republic. DG-DEVCO also greatly increased its aid transparency.

A variety of push and pull factors have led to this overall improvement. These include political will, increased pressure and scrutiny from civil society, and technological progress. The international policy environment has shifted with the outcomes of Busan. As well as explicit high-level political endorsements of aid transparency, such as the announcement by Secretary of State Hillary Clinton that the U.S. was signing IATI, detailed commitments were made to implement a common, open standard for publishing aid information. This was a significant step beyond Accra in that IATI was recognised as a means for achieving aid transparency and deadlines were agreed for publishing implementation schedules by December 2012, with the goal of full implementation by December 2015.

Many aid agencies are now starting to recognise the benefits of real transparency, rather than simply meeting the obligation to open their books to public scrutiny. With some significant exceptions, however, this has yet to move from intention to systematic implementation. For example, in every single group – from 'good' to 'very poor' – performance is best at the organisational level, by publishing documents commonly required as part of good public financial management, such as annual and audit reports, procurement procedures and tenders. It is particularly disappointing to see experienced agencies and proponents of aid effectiveness performing so poorly on timely activity-level information, which is crucial for achieving better coordination between donors and with partner organisations, and for domestic accountability. AFD and Portugal both score 0% on the activity level.

It is no coincidence that the top 16 agencies (and top five EU member states) in the 2012 Index are signatories to IATI. An agency's having signed the IATI is likely to be indicative of a willingness to improve its transparency; it will either have fairly transparent systems already or be developing them. An adequate and timely round of publication to the IATI Registry (e.g. DG-DEVCO) has a much greater impact on an agency's score because it provides so much of the information that is required to be transparent. In addition, agencies that excelled in the 2012 Index tended either to have been through several rounds of publication to the IATI Registry or to have done extensive automation work and/or problem-checking prior to implementation.

## Recommendations

European member states need to keep up the momentum on aid transparency and start making progress on implementation. They should publish ambitious implementation schedules by December 2012, and by the end of 2013 all European donors should have started publishing the IATI components of the common standard in the correct format (XML).

European donors that are already publishing to IATI should increase the quality, sustainability and timeliness of their publication and work with others to share best practice and lessons learned.

The European Commission should be congratulated for leading on aid transparency internationally and internally. To date, DG DEVCO has played a significant role in leading the EC's IATI implementation; however, other EC departments managing the EU's external aid budget – such as DGs ECHO and Enlargement and the new Foreign Policy Instrument Service – need to follow suit. The forthcoming negotiations on the EU's seven-year budget is a critical opportunity for ensuring that the Busan aid transparency commitments are fully integrated into the next Multi-Annual Financial Framework (MFF) and 11th European Development Fund (2014–2020).

The European Commission should share lessons learned and best practice by communicating the benefits of compa-

able, timely, comprehensive and accessible aid information to its staff across the DGs, to encourage an improvement in data quality and greater coordination in programming and implementation.

## 12. Joint programming: EU innovation for Busan

The EU, collectively, may be the world's largest provider. In practice, the management and implementation of EU aid is fragmented into bilateral aid provided by the EU's 27 member states and the European Commission. Some of the so-called donor darlings, in particular in sub-Saharan Africa, receive aid from the majority of EU member states. In practice, this is often a burden for the EU's partners as they have to negotiate with all these providers separately, comply with their different reporting and other administrative requirements, and try their best to coordinate their activities in order to avoid unnecessary duplication or funding gaps. Raising the funds for national development plans from many different sources leads to unnecessary transaction costs and a heavy workload for the EU's partner countries. It diverts enormous capacity and resources from what really matters: promoting development and fighting poverty.

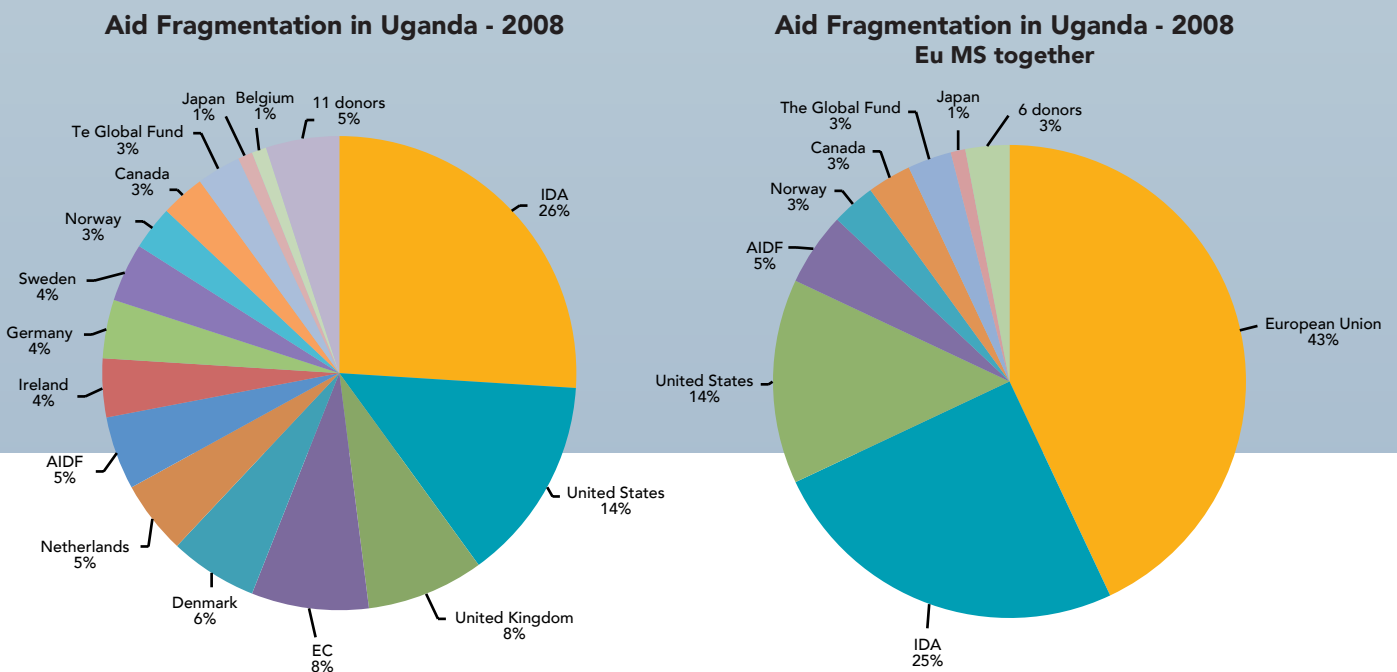
The problem of the fragmentation and proliferation of aid agencies has been identified as one of the major constraints on more effective development cooperation, at both OECD and EU level. It was the initial rationale for launching the aid effectiveness reform process: the first High-Level Forum on Aid Effectiveness, in Rome in 2003, focused exclusively on the question of how to harmonise the operations of all these different providers and agencies.<sup>LXXXIII</sup>

Later in the process, policy-makers tried to tackle the root of the problem and reduce the number of players in a particular field. The Paris Declaration calls for a greater division of labour between providers, who, it said, should focus their assistance on a smaller number of countries, and in these countries on a smaller number of sectors.

At EU level, this was translated in 2007 into the Code of Conduct on Complementarity and Division of Labour, where the proposal is for each EU provider to focus on three sectors per partner country. In each sector, a maximum of five donors should be active.<sup>LXXXIV</sup> The EU also launched a fast-track initiative on the division of labour in 30 countries, to put the code of conduct into practice.<sup>LXXXV</sup>

### GRAPH 4:

Aid fragmentation in Uganda: separate versus joint assistance by EU providers (this graph is tentative; alternatives exist)



Source: European Commission, based on DAC data

When it came to implementation, however, the outcome was generally not a success. The 2012 EU Accountability Report states that EU providers withdrew from 90 sectors, but in the same period they entered 71 new sectors.<sup>LXXXVI</sup> These results confirm the findings of independent and academic assessments that it is not 'efficiency' or even 'effectiveness' criteria that guide the allocation of aid: it is generally acknowledged that such a dispersed provision of aid makes little sense. Providers prefer to maintain development cooperation relations with many different countries, either for political reasons ('buying influence', or 'flag planting') or in reaction to pressure from home-country constituencies.<sup>LXXXVII</sup>

Another way to solve the fragmentation problem would be to change aid modalities and provide aid in the form of budget support rather than project aid. Budget support harmonises and aligns automatically, because the funds are transferred directly into the partner country's budget and the actual allocation of funding and implementation of projects is left to that country. But budget support has fallen from political favour in EU member states, and many EU providers scaled down budget support in 2011.

#### Joint programming on the Busan development effectiveness agenda

This was the situation, in the run-up to HLF4 in Busan, when the European Union decided to put joint programming on the agenda. The formal EU position for Busan states that:

"In order to show leadership in Busan and beyond and as a response to the increased fragmentation and proliferation, the EU will improve and strengthen joint programming at the country level under the leadership of partner countries wherever possible."<sup>LXXXVIII</sup>

The common EU position also contains an annex which shows that it has already started joint programming pilot projects in South Sudan and Haiti. In this annex the scope of joint programming is described as encompassing the following:

- joint analysis of and joint response to a partner country's

national development strategy, identifying priority sectors for intervention

- in-country division of labour: who is working in which sectors;
- indicative financial allocation per sector and per donor.

Joint programming does not necessarily entail joint implementation – it is not intended to replace the bilateral implementation by EU member states' agencies.<sup>LXXXIX</sup>


Busan did actually lead to an agreement on joint programming, as one of the few time-bound commitments made there. Specifically, the BPa reads: "We will by 2013 make greater use of country-led co-ordination arrangements, including division of labour, as well as programme-based approaches, joint programming and delegated co-operation".<sup>XC</sup>

#### What does "joint programming" mean for the EU?

The idea of joint programming is not new: it was pursued, separately to division of labour strategies and other initiatives, as part of the EU's reform process designed to improve effectiveness.

The EU's 2005 European Consensus on Development, still the reference document for EU development policies, reads: "The EU is committed to promote better donor coordination and complementarity by working towards joint multi-annual programming, based on partner countries' poverty reduction or equivalent strategies and [a] country's own budget processes, common implementation mechanisms including shared analysis, joint donor-wide missions, and the use of co-financing arrangements".<sup>XCI</sup>

The latest EU strategy paper, the Agenda for Change, takes the idea of joint programming forward: "Where the partner country has formulated its own strategy, the EU should support it by developing, wherever possible, joint multi-annual programming documents with the Member States. Where the partner country has not done so, the EU will endeavour to develop a joint strategy with the Member States".<sup>XCII</sup>



Joint programming aims to coordinate donors' in-country work under a common framework of support, with each specialising in their own particular strengths. Prerequisites are that EU providers should stand ready to divide labour and coordinate sectoral coverage in partner countries, and synchronise their programming cycles. With that as a given, they are supposed to undertake a joint country analysis and then formulate and implement a common programme of support, aligned with the government's national development plan. The result of this process should be the single joint programming document, which will indicate the sectoral division of labour and financial allocations per sector and per donor. The EU and its member states should follow this lead for their own bilateral implementation plans. The idea is that, preferably, all providers – including the non-EU bilaterals and multilateral institutions – would participate in this joint programming exercise.<sup>XCIII</sup> In countries that have an operational national development plan (NDP), the NDP is supposed to replace the providers' country strategy papers, and no mid-term reviews will be scheduled.

Joint programming is a response to parts of the aid effectiveness agenda. It has the potential to improve the harmonisation, coordination and division of labour. It could also improve recipient ownership, alignment with national development plans and country systems, and aid predictability. But this will depend on how it is implemented in practice.

Joint programming can be either a donor-driven or a country-led process. If the programming process is country-led, the recipients can make sure that aid actually flows into areas where it is wanted (ownership), where it is needed (alignment) and when it is needed (predictability). If providers continue to make the decisions about aid allocation, and maintain their own spending cycles, the joint programming efforts are a wasted opportunity to promote ownership, alignment and predictability.

The EU's policy papers are not completely clear on how it will work in practice, but they do point to a donor-driven process: the Council Conclusions for Busan, for instance, read: "Joint programming is led by the partner country wherever possible". But they also stress that "joint programming is a

process whereby the EU takes strategic decisions", "joint programming respects Member States' sovereign decisions e.g. on choice of partner countries and level of financial allocations in these countries" and that "the EU will act as a driving force".<sup>XCIV</sup> Currently, the decision on whether a country is eligible for the joint programming approach is made by the EU's own heads of mission in that country.

Last but not least, the idea of joint programming is not just about increasing the development effectiveness of EU aid, but also about being part of the larger EU unification process. It is a step forward for the EU to speak with one voice, to act as one, to deliver as one, and to raise its political profile. There are also risks for developing countries when the EU "gangs up" in this way: such joint approaches give the EU leverage to impose conditionalities more effectively, thereby undermining their partners' national sovereignty.<sup>XCv</sup>

#### Implementing joint programming post-Busan:

A number of processes have been launched in 2012 to make joint programming happen in practice:

At a global level, joint programming was put onto the agenda of the new Building Block entitled "Managing diversity and reducing fragmentation". Building Block participation is voluntary and limited to a 'coalition of the willing'. It is therefore arguable whether the result will be to have all providers in all developing countries under country-led joint programming umbrellas, despite the prominent status of joint programming as one of the few time-bound commitments.

The EU is also moving unilaterally, however: after Busan, European Commission and EEAS staff went on a roadshow through the EU capitals in order to publicise the joint programming concept and mobilise the member states around it. The political will of EU member states will be crucial for actual implementation, and the EU institutions claim that member states are supportive, but there are doubts about what exactly it is that they are supportive of: many of them seem to believe that conducting a collective country analysis on the basis of the national development plan is

already sufficient to count as joint programming.

The EU has also launched a pilot programme on joint programming in six countries (Ethiopia, Ghana, Guatemala, Laos, Mali and Rwanda) for the upcoming country programming period, 2014-2020. Feasibility for five other countries was investigated but the environment was assessed as not being suitable, for example because there was no national development strategy, the political environment and relations with the governments were difficult, or simply because the country already had a functioning Joint Assistance Strategy which made the narrow joint programming approach unnecessary.

#### Does joint programming improve the development effectiveness of EU aid?

Very little information is publicly available on its actual impact so far. Also, as the process is still in its infancy, a real assessment of joint programming practice is not yet possible, so for the time being we can merely point to its potential benefits and risks.

Joint programming could bring about a real improvement in coordination, the division of labour and effectiveness, provided key conditions are met in its implementation. These include respecting partner countries' leadership and ensuring alignment with their development strategies, promoting democratic ownership and participation by concerned populations in decisions relating to aid, and improving aid transparency and mutual accountability. All these principles need to be carefully followed in dialogue with the partner country. And to improve practice continuously, there also needs to be constant evaluation and learning.

Joint programming could lead to better and faster implementation. In reality, however, we see that in its current form – which requires involvement and signing-off by many different head offices – it does not necessarily lead to a faster process. The different EU providers involved would also have to synchronise their programming cycles with each other and with the partner country. This could take some time, as providers currently have ongoing multi-annual pro-

grammes. It could also face internal challenges owing to the providers' own budgetary procedures at home. So there is a risk that in practice it might slow down aid disbursements and actual implementation.

Furthermore, for a real country-led process the partner country needs to have an operational development strategy and the capacity to coordinate joint programming processes in practice, which is not the case in all countries.

The fact that the EU wants to focus on just three sectors could lead to 'orphan sectors', to funding gaps in the remaining sectors of the partner country's national development strategy. Predictability is also jeopardised by the risk that a big EU provider might withdraw from the process, for example because the total aid budget is cut. This could have severe implications for the full funding of joint assistance to the national development plan, which could not easily be compensated for by the remaining EU providers. It is not yet clear who is supposed to fill the gaps where 'orphan sectors' are left without funding – whether this is supposed to be other bilateral providers, multilateral providers or NGOs. Nor is it clear how the joint programming approach will be made flexible enough to respond to changing or emerging development challenges which were not foreseeable at the beginning of the programming cycle.

In general, it is not clear how joint programming will make the principle of democratic ownership, stressed by the BPa, a reality. The joint programming process is complex and involves many different partners: all the participating providers, the recipient government (often different line ministries, local governments, etc.) and the other development actors. There is a significant risk that the interaction with parliaments and citizen groups will be deprioritised for the sake of simplicity.

## CONCLUSION

The EU, collectively, provides more than half the world's official development assistance. EU aid is already making a difference to many people in partner countries. But its full potential to mitigate and ultimately eradicate poverty is far from being achieved. The main flaws in EU aid are well known: the highly fragmented and poorly coordinated 27+1 donor system; limited real financial transfers to the South; the poorly targeted aid allocation, distorted by non-development interests. And most of the necessary commitments to reform have already been made at either the global or the European level, but they are not being fully implemented.

In the mid-2000s the EU used to play a driving role in bringing about ambitious aid effectiveness agreements such as the Paris Declaration and the Accra Agenda for Action. This drive weakened somewhat in the run-up to Busan. In consequence, the commitments from Paris and Accra have not been fully implemented (the EU met only one in 12 of the targets; since 2007 there has even been regression in some areas), nor does the new Busan Partnership Agreement reflect the strong emphasis on human rights, equity and democracy as cornerstones of development effectiveness, even though these principles shape the EU's own treaties and development policy guidelines such as the European Consensus on Development. In the changing context of development cooperation, where there is now increasing 'provider competition', the EU needs to revive its spirit for reform and present itself to poorer countries as a responsible and effective partner.

The EU needs to learn lessons from the implementation of global agreements. Some progress has been made, although it has been insufficient, partly unsustainable, and very unevenly distributed across different EU providers and different areas of the aid and development effectiveness agenda. Once they are up and running, the new Global Partnership for Effective Development Cooperation and its Busan Monitoring Framework will put some pressure on the parties to translate rhetoric into reality and deliver on the commitments they have made. But, given the limited measures to be implemented, this pressure will most likely be insufficient to reach all EU agencies and country offices. It must be reinforced by action at the EU level, also taking

into account the fact that many commitments such as aid untying and aid predictability are 'homework' anyway, and already require implementation by the EU and its member states.

The EU has additional – and stronger – legal, political and financial tools at its disposal, which it must make full use of in order to improve the development effectiveness of aid. Total development results reflect the sum of the efforts made by all the individual development actors. This requires all EU actors to contribute their fair share and to pull into the same direction. Leading by example, the EU can also put pressure on other providers to improve and to become a favoured development partner of countries in the South – countries that are increasingly selective, and self-confident enough to reject bad aid.

Lastly, joint programming will only deliver on its promises of development effectiveness if it is implemented consistently. The EU will have to be cautious and determined, making sure the joint programming of EU development cooperation respects the principle of democratic ownership: it should be a transparent process led by developing countries and their citizens, including poor and vulnerable populations.





## NOTES

- I In this report the term “EU” stands for both the European Commission/EU institutions and EU member states
- II European Commission (2012): EU Accountability Report on Financing for Development. Review of Progress of the EU and its Member States, p. 53
- III Lisbon Treaty, Article 208
- IV European Consensus on Development, §§ 7 and 8
- V Council of the European Union (2008): Third High-Level Forum on Aid Effectiveness (HLF-III) – Accra, Ghana, 2-4 September 2008: Guidelines for the participation of the European Union, § 47
- VI Cf. for key EU documents: [http://ec.europa.eu/europeaid/how/ensure-aid-effectiveness/eu-approach\\_en.htm](http://ec.europa.eu/europeaid/how/ensure-aid-effectiveness/eu-approach_en.htm)
- VII Countries such as Tanzania which receive more than a thousand donor missions per year have had to introduce ‘quiet times’: mission-free months in which the local bureaucracy can focus on its core responsibilities. Cf. Mutalemwa, Darlene K. (2009), “Aid Effectiveness and General Budget Support in Tanzania”
- VIII Council of the European Union (2008): Third High-Level Forum on Aid Effectiveness (HLF-III) – Accra, Ghana, 2-4 September 2008: Guidelines for the participation of the European Union; §68
- IX Moyo, Dambisa (2009): *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa*
- X Clay, Edward J., Matthew Geddes and Luisa Natali (2009) “Untying Aid: Is it working? An Evaluation of the Implementation of the Paris Declaration and of the 2001 DAC Recommendation of Untying ODA to the LDCs”, Copenhagen, p. 1
- XI These are Spain, Italy, Austria, the EU institutions, Portugal, and Greece. Cf. OECD (2012): Aid Untying. 2012 Report, DCD/DAC(2012)39, p. 18
- XII Cf. Eurodad (2011): “How to spend it? Smart procurement for more effective aid”, p. 15-16
- XIII *Ibid.*,
- XIV Academic research found no correlation between a country’s low income level, or a low score in the UN’s Human Development Index, and the amount of aid it receives. Aid allocations are quite volatile, dependent on donors’ fiscal health, and distorted by non-developmental objectives. Cf. Browne, Stephen (2006): “Aid & Influence. Do donors help or hinder?”, p. 7-10
- XV Cf. Oxfam (2011): *Whose Aid Is It Anyway? Politicizing Aid in Conflicts and Crises*
- XVI Cf. Reality of Aid (2010): *Aid and Development Effectiveness. Towards Human Rights, Social Justice and Democracy*; in particular the country chapters on France (pp. 214-217) and Italy (pp. 226-229)
- XVII Bigsten, Arne Lennart, Jean Phillipe Plateau and Sven Tengstam (2011): “The Aid Effectiveness Agenda. The benefits of going ahead”, p. 11
- XVIII For a history of the aid effectiveness process, see Milly, Hubert de (2012): “From Aid Effectiveness to Development Effectiveness. Paying Tribute to the WP-EFF”
- XIX Cf. “The Paris Declaration and the Accra Agenda for Action”; <http://www.oecd.org/dac/aideffectiveness/43911948.pdf>
- XX Cf. OECD (2011): “Aid Effectiveness 2005-2010. Progress in Implementing the Paris Declaration”, p. 25
- XXI European Commission (2012): EU Accountability Report on Financing for Development. Review of Progress of the EU and its Member States, p. 76
- XXII This data should be treated with care, as many indicators are process indicators. A high baseline in 2006 made it more difficult to make progress. Many indicators do not measure how ‘good’ a donor is, but rather whether it has changed for the better.
- XXIII Wood, B et al. (2011): The Evaluation of the Paris Declaration, Final Report, p. xiv
- XXIV *Ibid.*, p. xiii
- XXV *Ibid.*, p. xv
- XXVI Cf. Reality of Aid (2011): Democratic Ownership and Development Effectiveness. Civil Society Perspectives on

- Progress since Paris.
- XXVII The Paris Monitoring Survey covers only the EU donors that are DAC members. Little data is available for the performance of EU12 donors measured against aid effectiveness targets.
- XXVIII Cf. also the analysis by UKAN (2011): Paris Declaration Monitoring Survey: What the Results Tell Us, and What they Don't
- XXIX Wood, B et al. (2011): The Evaluation of the Paris Declaration, Final Report, p. XIII
- XXX A fact that has been repeatedly stressed by both the United Nations and the partner country group in the WP-EFF; cf. UN ECOSOC (2009): Enhancing Mutual Accountability and Transparency in Development Cooperation. Background Study for the Development Cooperation Forum High-Level Symposium; and "Partner countries vision and priorities for HLF4" (<http://www.aideffectiveness.org/busanhlf4/en/about/key-documents.html>)
- XXXI Cf. the official HLF4 portal [www.aideffectiveness.org](http://www.aideffectiveness.org) for a selection of background documents
- XXXII The UNCTAD reports that developing countries received USD 684bn in foreign direct investment in 2011, more than five times the reported ODA provided by DAC donors. But the poverty-focus is limited: Of this amount just 2%, or USD 15bn, went to the 48 Least Developed Countries, and aligning FDI to development priorities is a challenge as it follows commercial motives. Cf. UNCTAD (2012): World Investment Report 2012, Overview, p. 3
- XXXIII Cf. for further details: [www.betteraid.org](http://www.betteraid.org); and [www.cso-effectiveness.org](http://www.cso-effectiveness.org)
- XXXIV BetterAid (2010): Development Effectiveness in Development Cooperation. A rights-based perspective, p. 1
- XXXV Statement by Kofi Annan at the Second GFATM Replenishment Meeting, Berlin, September 2007
- XXXVI Busan Partnership for Effective Development Co-Operation, §22
- XXXVII BetterAid/Open Forum (2012): An Assessment of the Busan Partnership for Effective Development Cooperation: From a civil society perspective
- XXXVIII Cf. Council of the European Union (2011): EU Common Position for the Fourth High-Level Forum on Aid Effectiveness
- XXXIX Council of the European Union (2008): Third High-Level Forum on Aid Effectiveness. Guidelines for the Participation of the European Union, §2
- XL Cf. [http://ec.europa.eu/europeaid/who/partners/civil-society/structured-dialogue\\_en.htm](http://ec.europa.eu/europeaid/who/partners/civil-society/structured-dialogue_en.htm)
- XLI Cf. European Parliament (2011): Report on the 4th High-Level Forum on Aid Effectiveness (2011/2145(INI)); and BetterAid (2011): CSOs on the road to Busan: Key messages and proposals
- XLII Cf. "Ahead of Busan. Africa articulates its vision for aid reforms", <http://www.nepad.org/fr/crosscuttingissues/news/2484/ahead-busan-africa-articulates-its-vision-aid-reforms>
- XLIII Partner Countries' Vision and Priority Issues for HLF4, p. 2
- XLIV "Brian Atwood (OECD DAC Chair) reflects on Busan Progress", <http://blogs.cgdev.org/globaldevelopment/2011/12/brian-atwood-oecd-dac-chair-reflects-on-busan-progress.php>
- XLV Busan Partnership for Effective Development Co-Operation, §2
- XLVI *Ibid.*, §12a
- XLVII *Ibid.*, §11b
- XLVIII Ssewakiryanga, Richard (2011): Busan reflections. We came, we saw, we conquered: <http://www.devex.com/en/news/busan-reflections-we-came-we-saw-we-conquered/76877>
- XLIX Busan Partnership for Effective Development Co-Operation, §6
- L *Ibid.*, §13
- LI *Ibid.* § 25 a,b
- LII BetterAid / Open Forum (2012): An Assessment of the Busan Partnership for Effective Development

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- Cooperation: From a civil society perspective, p. 6
- LIII *Ibid.*
- LIV CONCORD press release, 1 December 2012
- LV Cf. GPEDC (2012): Proposed mandate for the Global Partnership for Effective Development Co-operation
- LVI Cf. OECD (2012): DAC engagement with the Global Partnership for Effective Development Co-operation, p. 4
- LVII *Ibid.*, p. 4
- LVIII Cf. BetterAid: “Expand CSO representation in the GPEDC”, <http://www.betteraid.org/en/news/286-latest-news/566-betteraid-expand-cso-representation-in-gpedc.html>
- LIX Cf. for the Busan Monitoring Framework: GPEDC (2012): Proposed indicators, targets and process for global monitoring
- LX Matthew Martin, Richard Watts and Gideon Rabinowitz (2012): “Monitoring Implementation of the Busan Partnership Agreement. Why ‘Global Light’ and ‘Country-Focused’ Must Work Together Effectively”
- LXI Council of the European Union (2011): EU Common Position for the Fourth High-Level Forum on Aid Effectiveness, §61
- LXII Busan Partnership for Effective Development Co-Operation, § 28
- LXIII The European Commission has for instance released (or is about to release) new Communications on, inter alia, budget support, social protection and civil society organisations
- LXIV OECD (2012): Aid Untying. 2012 Report, DCD/DAC(2012)39, p. 7
- LXV Cf. Paris Declaration on Aid Effectiveness
- LXVI Accra Agenda for Action, §24a
- LXVII Average of 2009 and 2010 commitments for ODA and OOF, as reported to the OECD-DAC Creditor Reporting System
- LXVIII Cf. OECD (2008): 2008 Survey on Monitoring the Paris Declaration: Making aid more effective by 2010, p. 12; and Danish Institute for International Studies (2011): 2011 Survey on Monitoring the Paris Declaration and The Evaluation of the Paris Declaration: Phase 2 Final Report, pp. 63–67
- LXIX Including DG DEVCO, Finland, Spain and Sweden
- LXX Busan Partnership Agreement, §23
- LXXI [http://www.cso-effectiveness.org/IMG/pdf/meeting\\_the\\_busan\\_commitments\\_on\\_transparency\\_1\\_.pdf](http://www.cso-effectiveness.org/IMG/pdf/meeting_the_busan_commitments_on_transparency_1_.pdf)
- LXXII Predominantly DG DEVCO
- LXXIII Council of the European Union (2010): Mutual Accountability and Transparency. A Fourth Chapter for the EU Operational Framework on Aid Effectiveness
- LXXIV See [http://ec.europa.eu/europeaid/how/accountability/iati\\_en.htm#guarantee](http://ec.europa.eu/europeaid/how/accountability/iati_en.htm#guarantee). The guarantee also committed to making forward-looking information available at country level on an annual basis and making disaggregated information on relevant aid flows available to partner countries
- LXXV See <https://tr-aid.jrc.ec.europa.eu/MainHomePageAction.do;jsessionid=ACAA0D351C647D16F5CA6A9B0F4564AC>
- LXXVI 2011 *Pilot Aid Transparency Index*: <http://www.publishwhatyoufund.org/resources/index/2011-index/>. CONCORD AidWatch report: [http://aidwatch.concordeurope.org/static/files/assets/802f0784/CONCORD\\_2011.pdf](http://aidwatch.concordeurope.org/static/files/assets/802f0784/CONCORD_2011.pdf)
- LXXVII See Sections 1 and 2 of the 2012 Aid Transparency Index: [www.publishwhatyoufund.org/index](http://www.publishwhatyoufund.org/index)
- LXXVIII See Acknowledgments section of the 2012 Index for details of who undertook each of the surveys.
- LXXIX “Current” was defined as published within the 12 months immediately prior to the data collection period (1 May–31 July 2012), so information published on 1 May 2011 or later was accepted as current.
- LXXX Two other data sources were used for these indicators – the IATI website: <http://www.aidtransparency.net/> and the Global RTI Rating: <http://www.rti-rating.org/>. See Section 1 of 2012 *Aid Transparency Index*.

- LXXXI As detailed in Section 1 of the 2012 *Aid Transparency Index*, methodological improvements (such as new indicators and the reweighting of other indicators) mean that comparing scores in the 2011 and the 2012 Index is not straightforward. To measure substantive change between years, only those indicators and organisations that were surveyed in both years are used, and using the weighting of the 2011 Pilot Index, although moving these to the categories of the 2012 Index.
- LXXXII <https://webgate.ec.europa.eu/hac/>
- LXXXIII OECD (2003): Rome Declaration on Harmonisation
- LXXXIV Council of the European Union (2007): Council Conclusions on “Code of Conduct on Complementarity and Division of Labour in Development Policy”
- LXXXV EU Fast-Track Initiative: Division of Labour: <http://www.oecd.org/dac/aideffectiveness/46836584.pdf>
- LXXXVI European Commission (2012): EU Accountability Report 2012 on Financing for Development. Review of the Progress of the EU and its Member States; p. 76
- LXXXVII Cf. Browne, Stephen (2006): *Aid & Influence. Do donors help or hinder?*
- LXXXVIII Council of the European Union (2011): EU Common Position for the Fourth High-Level Forum on Aid Effectiveness; Council Conclusion, §33
- LXXXIX *ibid.*; Annex 2
- XC Busan Partnership Agreement, §25a (emphasis added)
- XCI European Consensus on Development (2006); §31
- XCII Council of the European Union (2011): ‘Increasing the Impact of EU Development Policy: an Agenda for Change’; Council Conclusion, §19
- XCIII *ibid.*; and Ashton, Catherine; Andris Piebalgs and Stefan Füle (2012): Letter to EU Development Ministers of 13.1.12 (unpublished)
- XCIV Council of the European Union (2011): EU Common Position for the Fourth High-Level Forum on Aid Effectiveness; Council Conclusion, Annex 2
- XCV Cf. European Commission (2008): EU Toolkit for the implementation of complementarity and division of labour in development policy, p. 16
- XCVI Cf. Council of the European Union (2011): ‘Increasing the Impact of EU Development Policy: an Agenda for Change’; Council Conclusion

## ■ ACRONYMS

AAA	Accra Agenda for Action
AFD	Agence Française de développement
BPa	Busan Partnership Agreement
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DFID	(United Kingdom) Department for International Development
DG DEVCO	Directorate-General Development and Cooperation (EuropeAid)
ECHO	European Community Humanitarian Office
FPI	Foreign Policy Instruments Service
GIZ	(Deutsche) Gesellschaft für Internationale Zusammenarbeit
GPEDC	Global Partnership for Effective Development Cooperation
HLF	High-Level Forum (on Aid Effectiveness)
IATI	International Aid Transparency Initiative
KfW	Kreditanstalt für Wiederaufbau
MFF	Multiannual Financial Framework
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PFM	Public Financial Management
SSC	South-South Cooperation
TR-AID	Transparent Aid
UN DCF	United Nations Development Cooperation Forum
WP-EFF	Working Party on Aid Effectiveness

## **Note on the Methodology:**

This report is based on a review of general literature on aid and development effectiveness, and of the official and independent evidence produced for HLF4 including the dataset generated through the Paris Monitoring Surveys. The chapters on the Busan process and outcome benefited from direct observations by the author and other AidWatch policy officers who took part in the preparatory process and in HLF4 itself.

In order to assess the follow-up to Busan and its implementation in the EU, a number of semi-structured interviews were conducted by either the researcher or AidWatch members in EU member states. In total, these interviews covered eleven EU bilateral providers, the EU institutions DG DEVCO and EEAS, the OECD and UNDP, and some Southern CSOs and government officials.

## CONCORD MEMBERS

**AS** Associate Member   **NP** National Platform   **NW** Network

<b>NW</b> ActionAid International	<b>NW</b> Handicap International
<b>NW</b> ADRA	<b>NP</b> Ireland: Dochas
<b>AS</b> ALDA	<b>NP</b> Italy: ONG Italiane
<b>NW</b> APRODEV	<b>NP</b> Latvia: Lapas
<b>NP</b> Austria: GlobaleVerantwortung	<b>NP</b> Lithuania: "LU" Lithuanian development NGO umbrella
<b>NP</b> CONCORD Belgium	<b>NP</b> Luxembourg: Cercle
<b>NP</b> Bulgaria: BPID	<b>NP</b> Malta: SKOP
<b>NW</b> CARE International	<b>NP</b> Netherlands: Partos
<b>NW</b> Caritas Europa	<b>NW</b> Oxfam International
<b>NW</b> CBM International	<b>NW</b> Plan International
<b>NW</b> CIDSE	<b>NP</b> Poland: Grupa Zagranica
<b>NP</b> Czech Republic: FoRS	<b>NP</b> Portugal: Plataforma ONGD
<b>NP</b> Cyprus: CYINDEP	<b>NP</b> Romania: FOND
<b>NP</b> CONCORD Denmark	<b>NW</b> Save the Children International
<b>NP</b> Estonia: AKU	<b>NP</b> Slovakia: MVRO
<b>NW</b> EU-CORD	<b>NP</b> Slovenia: SLOGA
<b>NW</b> Eurostep	<b>NW</b> Solidar
<b>NP</b> Finland: Kehys	<b>NP</b> Spain: Coordinadora ONGD
<b>NP</b> France: Coordination SUD	<b>NP</b> CONCORD Sweden
<b>NP</b> Germany: VENRO	<b>NW</b> Terres des hommes IF
<b>NP</b> Greece: Hellenic Committee of NGOs	<b>NP</b> United Kingdom: Bond
<b>NP</b> Hungary: HAND	<b>NW</b> World Vision International
<b>NW</b> IPPF European Network	<b>AS</b> World Wide Fund for Nature (WWF)
<b>NW</b> Islamic Relief Worldwide	

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