

European NGOs demand greater ambitions from EU Member States for Busan - Urgent call for EU action

Responses of European NGOs

EU member states (MSs) have played a leading role amongst donors in taking forward aid effectiveness efforts, helping to achieve the progress that has been made since the Paris High Level Forum (HLF) and to secure some of the most significant commitments made at the Accra HLF. As the Busan HLF fast approaches EU MSs must build on this experience to lead donor efforts to deepen proposed commitments for Busan and ensure they take forward and build on those of Paris and Accra.

We have seen initial signs of such EU leadership in some areas. However our reflections on the response of EU MSs to the current text of a Busan outcome document raises concerns that this is yet to fully emerge and translate into ambitious concrete commitments for Busan. We believe the following commitments are vital to the success of Busan and urge EU MSs to ensure they are addressed in future drafts and the final text:

- ❖ Full reaffirmation of the Paris and Accra commitments by a specific deadline, together with continued monitoring of their implementation
- ❖ BOD2's commitments on untying and medium term predictability
- ❖ Publish to the IATI standard or in an IATI-compatible format by Dec 2015
- ❖ Support ambitious and concrete commitments on use of country systems, including to improve the effectiveness of and scale-up budget support
- ❖ Identify basic standards for mutual accountability processes to meet
- ❖ Explore opportunities for new and improved global monitoring indicators
- ❖ A more comprehensive approach to a clearly defined development effectiveness, respecting policy coherence for development and making commitments on a civil society enabling environment non-negotiable
- ❖ Gender equality featured strongly as a principle, actionable priority area of focus and horizontal issue throughout all the Busan document
- ❖ Ambitious and concrete standards for the private sector to implement and report on
- ❖ A clear definition of what results and impact means
- ❖ Reaffirmation of the EU's aid commitments; support for providing additional finance for addressing the challenges of climate change

In addition, we urge EU MSs to ensure that efforts to bring emerging donors into the Busan process do not prevent the Busan outcome document from taking forward and building on the commitments of Paris and Accra.

INTRODUCTION

Through BetterAid's (the body representing civil society organisations on the OECD Working Party on Aid Effectiveness) response to the second draft Busan outcome document (BOD2) European NGOs have welcomed BOD2's: reaffirmation of the Paris and Accra commitments, new time-bound commitments on predictability, transparency and untying; statement on the importance of country-owned development cooperation; commitment to create enabling environment for civil society; and increased emphasis on poverty reduction, gender equality and human rights.

We also welcome the **support of EU member states** for some of these critical elements of a Busan outcome document and for the importance of a Busan strengthening country level implementation and mutual accountability processes, further pursuing alignment and use of country systems and addressing fragmentation of aid.

However, our analysis of the response of EU MSs to the BOD2 suggests that EU MSs do not support its ambitions in a number of critical areas and are not focussed on deepening its ambitions in a range of other important areas.

Where the EU's current positions fall short of BOD2's ambitions

Lack of support for fully reaffirming Paris and Accra – BOD2's call for the Paris and Accra commitments to be reaffirmed in full is consistent with the evidence that these commitments are far from being implemented and remain relevant, as well as strong demands from developing countries. However, the response of EU member states (MSs) to BOD2 only goes as far as to state that the Busan outcome document should *"reaffirm the Paris principles through focusing and deepening the key commitments of Rome, Paris and Accra"*. This suggests that EU member states are prepared to reaffirm the Paris and Accra commitments they see as "key" and not these agreements in full.

Limited ambitions on untying – The response of EU MSs to BOD2 makes it clear that they do not support its call for all aid to be untied by 2015 and question whether untying commitments beyond those made in Paris are required. Given that Paris merely committed OECD donors to make continued progress to untie their aid and that the Paris Monitoring Survey reported that in 2010 less aid was untied by donors than in 2005 this position is deeply worrying. As the tying of aid reduces its purchasing power, fails to maximise its contribution to developing country economies and heightens the risk of unsuitable interventions being delivered the weak ambitions of EU donors in this area will harm the pursuit of development results from aid.

Limited ambitions on transparency - The response of EU MSs to BOD2 makes it clear that some EU Member States are emphasising support for CRS++ ahead of IATI, in contrast to BOD2 emphasising IATI as the common standard. Whilst CRS++ has an important role to play, it does not match IATI's comprehensiveness, timeliness and promotion of automatic information sharing in order to deliver improved aid transparency. Given the Paris Declaration Evaluation stated that transparency is *"the indispensable foundation for effectiveness and mutual accountability"* donors must at least commit to "publishing to the IATI standard or in an IATI-compatible format by December 2015", which will provide the much needed current information that partner countries require and that CRS++ cannot supply.

Opposition to time-bound commitment on medium term predictability – The text EU MSs propose on medium term predictability in their response to BOD2 fails to state a deadline for the commitment to fully disclose of 3-5 year spending plans to recipient countries. This is in contrast to BOD2's call for such information to be routinely shared by 2013. Time-bound commitments on issues such as predictability are vital if urgency is to be brought to efforts to address these issues and the EU's opposition to a time-bound commitment on predictability will hold back progress in this area.

Failure to endorse calls for scaling-up aid and additionality of climate finance – In calling for the removal of BOD2's reference to the importance of scaling-up aid (section 10b of BOD2) and defining climate finance additionally (27c) in their response to BOD2 EU MSs fail to recognise their existing aid commitments and the urgency of providing additional resources to tackle climate change.

Limited ambitions on gender equality and women's empowerment - In its response to the BOD2 EU MSs welcome its emphasis on gender equality (para 16) but only as part of ownership, results and accountability. This fails to meet the EU's commitments to champion gender equality in development through a three-pronged approach (policy dialogue, gender mainstreaming and specific actions), which is particularly relevant now with the new actors and new topics to be treated in Busan.

Where the EU's current positions fail to build on the ambitions of BOD2

Worrying ambitions on global monitoring – We are concerned that BOD2 proposes only a limited set of indicators for global monitoring be agreed, and in response EU MSs have stated they oppose new global monitoring indicators and may be discussing reducing the number of existing indicators (proposed in the EC's 7th Sept Communication on HLF4). These positions are justified by stating that application of global indicators detracts from country monitoring and implementation. However, it is evident that the opposite is the case, as the Paris Monitoring Survey has been undertaken through extensive country-level processes and helped to strengthen mutual accountability in a growing number of countries. If Busan fails to deepen and improve this monitoring process it will undermine efforts to promote accountability and implementation of its commitments.

Insufficient approach to development effectiveness - Whilst important elements of a development effectiveness agenda (e.g. commitment to human rights, gender equality and democratic ownership) are identified by BOD2 and the EU MS response to this document, most are simply mentioned without any reference to how they will be concretely addressed. It is vital that concrete actions for taking forward commitment to these principles are identified in the Busan outcome document, especially as it will address the roles and responsibilities of new actors such as the private sector.

Weak commitments for the private sector – BOD2 and the position of EU MSs fail to identify commitments for the private sector to make at Busan to match the greater emphasis being placed on its role in delivering and catalysing the impact of aid. The private sector must commit to meeting and reporting on their own set of standards, including adherence to existing international agreements and standards.

Lack of concrete proposals on a range of other issues supported by EU MSs – Encouragingly EU MSs have stated their support for a Busan outcome document to focus attention on issues such as use of country systems and mutual accountability at the country level. However, they are yet to put forward proposals for ambitious and concrete commitments in these areas that will help to generate genuine action to take them forward. Such proposals should include the following:

- **Basic standards for mutual accountability processes to meet**, including the critical importance of accountability of individual actors, full transparency and civil society engagement
- **Improving the development impacts of budget support** by strengthening its focus on results for the poorest people, improving its accountability and scaling-up its use