



BRIEFING PAPER

***The Busan Partnership for Effective Development Cooperation:
Foundations for development effectiveness?***

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The Busan Partnership for Effective Development Cooperation: Foundations for development effectiveness?

A. Introduction

1. The *Busan Partnership for Effective Development Cooperation (BP)*, the outcome document for the 4th High Level Forum on Aid Effectiveness (HLF4), can be considered a significant accomplishment in several respects.¹ While it recommits signatories to the aid reforms first set out in the 2005 *Paris Declaration* and the 2008 *Accra Agenda for Action*, importantly it confirms a global discourse that focuses more comprehensively on *development effectiveness*. It does so within an overarching framework of principles that has been endorsed by all development actors – developed and developing country governments, civil society organizations (CSOs), parliamentarians, local government and the private sector. Uniquely, following the 2008 Accra HLF3, CSOs became full members of the Working Party on Aid Effectiveness and were the only non-governmental “Sherpa” in the final stages of negotiations for the outcome of HLF4.

2. On the other hand, CSOs have responded to the outcomes of HLF4 with bitter-sweet reactions. Creating an inclusive partnership for development, involving the BRICS economies such as China, the DAC donors, developing country governments and CSOs at the same table to pursue reforms for development cooperation based on common principles is a significant advance. Yet much of the DAC donors’ “unfinished business” of Paris and Accra remains largely unfinished after Busan and the non-DAC donors have approached the table with much caution. As participants in the negotiations, CSOs are implicated in the Outcome Document, while remaining critical of its overall lack of ambition. The few time-bound target and indicators for *BP* commitments were largely stripped from the document and “selective and relevant indicators and targets” are to be determined by June 2012 [§35].

3. A crucial CSO goal for Busan was to frame development effectiveness through rights-based approaches.² Development effectiveness for CSOs focuses on strengthening the capacities of poor and marginalized populations, including women and girls, to claim their rights in development. Despite some strengthened human rights language, CSO efforts for a rights approach largely failed, leaving uncertain how the *BP* systematically addresses real issues for poor and marginalized people. Indeed, the *BP* focuses, not so much on development effectiveness, but on expanding its purview over a variety of development resources (private sector investments, South-South cooperation, aid for trade, etc.) beyond official aid: “Aid is only part of the solution to development. It is now time to broaden our focus and attention to *effective development* [emphasis added]”. [§28]. In tension with its own Preamble, the *Busan Partnership* establishes “effective development” as sustainable and inclusive economic growth [§28(a)].

¹ The document is available at http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME_DOCUMENT_FINAL_EN.pdf
This Briefing Paper references specific paragraphs in this Outcome Document and readers might usefully read the Paper with close reference to the text.

² See BetterAid, “CSOs on the Road to Busan: Key Messages and Proposals”, April 2011, available at www.betteraid.org.

4. Canada endorsed the *Busan Partnership for Effective Development Cooperation*, but had a relatively low profile in Busan. Minister Oda spoke at several side-events, addressing results and accountability, particularly “the UN Commission on Information and Accountability for Women's and Children's Health, co-chaired by Prime Minister Harper. The latter sets “a new global standard for ensuring country ownership and accountability for results in development”, according to CIDA’s post-Busan press release.³ Canada and the Nordic countries were represented by the UK Sherpa in the final stages of Sherpa negotiations. The most important outcome for Canada was the very welcomed announcement that Canada would formally join the International Aid Transparency Initiative (IATI), recognizing that IATI initial requirements are consistent with CIDA’s open data initiative launched a few months earlier.

5. The *BP* is divided into three parts –

- a) A preamble that focuses on shared principles and actions (§1 to §13) that are endorsed by all development actors, including the CSO BetterAid platform (with a specific qualification for South/South cooperation partners);
- b) Actions to improve the quality and effectiveness of aid and development cooperation, based on “shared principles and differential commitments” (§15 to §27), and “cooperation for effective development” (addressing a framework for effective development and institutions, South-South and triangular cooperation, the private sector as a development actor, combating corruption, and climate finance - §28 to §34); and
- c) Monitoring progress through indicators (to be determined) and a new, inclusive and representative Global Partnership for Effective Development Cooperation, which will replace the current Working Party on Aid Effectiveness (§35 to §36).

6. This Briefing Paper provides an analytical overview of the *BP* from the perspective of civil society’s rights-based agenda for aid and development effectiveness.⁴

B. Shared Principles to Achieve Common Goals

An inclusive outcome ...

7. The preamble signals urgency arising from the development context, a commitment to shared principles and overarching actions, as an undertaking by all development actors present in Busan – ministers and representatives of developing and developed countries, multilateral organizations, representatives of different types of public, civil society, private,

³ See www.acdi-cida.ca. Interestingly, while co-chairing this UN Commission with Tanzania, Canada is among those countries surveyed by the Commission on commitments and results in women’s and child health programming that has not published the results of the survey on the Commission’s web site. See http://www.who.int/pmnch/topics/part_publications/2011_pmnch_report/en/index5.html.

⁴ BetterAid, *op. cit.*

parliamentary, local and regional organizations. These governments and other development actors made up the more than 2,500 delegates to HLF4, including more than 300 CSOs, as delegates in their own right and as members of several government delegations.

8. There were no formal statements of endorsement in the concluding sessions of HLF4 (unlike Accra). It will be assumed that development actors by their presence in Busan, including CSOs who participated directly in the negotiations, endorse the *BP*. Endorsement implies agreement with the common preamble, as well as with specific commitments and undertakings, differentiated by type of development actors, expressed in the various paragraphs that follow the preamble.

9. A primary HLF4 goal for many donors and the OECD Development Assistance Committee has been to bring non-DAC donors – e.g. Brazil, South Africa, Mexico and particularly China, etc. – into a shared framework for development cooperation, with corresponding commitments for effective aid and development. At HLF3 in 2008 several non-DAC donors insisted on an acknowledgement of South/South cooperation in the *Accra Agenda for Action* [AAA, §19].

10. South-South cooperation became an evolving theme for the Working Party since Accra. In the negotiations at Busan, non-DAC donors therefore not only influenced the shape of this Outcome Document, but also insisted that their development context required limitations to fully implement commitments as donors. These limitations are expressed in §14, but more explicitly in §2. Paragraph 2 was added in the final day of negotiations to bring China back to the table, after earlier withdrawing: “... we participate on the basis of common goals and shared principles”, but “the principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis”. CSO proposals to add a reference in South-South cooperation (§29) to internationally agreed development goals and human rights standards failed to get support.

11. While welcoming the last-minute inclusion of China as an important accomplishment, CSOs expressed disappointment that §2 indicated China’s reluctance to work in South-South cooperation within the common principles. In fact, as with Paris and Accra, all Busan commitments are undertaken on a voluntary basis by all development actors. But it is important to note that in the negotiations, several non-DAC donors (Mexico, South Africa, and Brazil) indicated that, irrespective of §2, they respect that “we all form an integral part of a new and more inclusive development agenda” and would strive to increasingly work for aid and development effectiveness as donors, within limitations based on the fact that these countries are still developing and several remain aid recipients [§14].

Shared principles to guide actions ...

12. For BetterAid, human rights agreements, norms and standards are the essential normative framework for measuring progress in cooperation for effective development. Development is effective when it strengthens the capacities of those living in poverty and those otherwise marginalized to claim their rights and to realize sustainable livelihoods for

themselves and future generations. The *BP* goes well beyond the 2008 *AAA* in linking development to human rights, but CSOs were largely unsuccessful in integrating a rights-based approach in all aspects of the *Busan Partnership for Effective Development*. There was however some success in several paragraphs where there are specific references to rights:

- ❖ BetterAid sought more specific references to human rights in §3, which establishes the urgency for development action. But instead it was agreed to reference the *Millennium Declaration*, which does assert the centrality of rights, including the right to development. Paragraph 3 also states that “poverty and *inequality* remain the central challenge [emphasis added]” in global development.
- ❖ Paragraph 11 sets out four shared principles for all development actors (see below). The four principles “form the foundation for our co-operation for effective development” and are “consistent with our agreed international commitments on human rights, decent work, gender equality, environmental sustainability and disability” [§11]. While welcoming these references, CSOs failed to strengthen these norms by replacing “human rights” with “international agreements, standards and norms on human rights”, which would be more in line with a human rights approach.
- ❖ CSO efforts to include human rights approaches resulted in a proposal by several donors, and accepted by other Sherpa, to reference such approaches in §22 as a commitment *for CSOs*, but not other actors! §22 reads that “civil society organizations (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 [emphasis added]”.
- ❖ In calling in §28 for a framework to “broaden our focus and attention from aid effectiveness to the challenges of effective development”, it is agreed that development partners “will rethink what aid should be spent on and how, in ways that are consistent with agreed international rights, norms and standards, so that aid catalyzes development”. This is an important, but largely isolated, reference to a rights approach in the allocation of aid by donors⁵, although not other forms of development resources. A CSO proposal to reference ILO principles and standards in §32(a) to guide the private sector as a development actor failed to attract support, even though the ILO is a tripartite body that includes employers representatives. Finally, CSOs also failed to strengthen §35(a) in a way that would have linked the development of global and country-specific indicators and targets for monitoring progress with “internationally agreed development goals and human rights”.

13. All development actors commit to respect four inter-related principles [§11] –

- a) ownership of development priorities by developing countries;
- b) focus on results that “have lasting impact on eradicating poverty and reducing inequality, on sustainable development, and on enhancing developing countries’ capacities”;
- c) inclusive development partnerships, “recognizing the different and complementary roles of all actors”; and

⁵ This language is entirely in keeping with the requirements of the ODA Accountability Act in Canada that insists that all aid disbursements must be consistent with international human rights standards.

d) transparency and accountability to each other, which are “critical to delivering results”.

While closely related to the 2005 *Paris Declaration*’s five principles, unlike Paris and Accra, the Busan principles apply to all development actors.

14. CSOs sought to specify the principle of ownership in §11 as “*democratic ownership*” and to elaborate its implications for inclusive multi-stakeholder dialogue based on minimum standards. While there is no direct reference to inclusive policy dialogue in the *BP*, §12a states that the four Busan principles will guide actions “to deepen, extend and operationalize democratic ownership of development policies and processes”. This is a crucial acknowledgement, where the *CSO Reality of Aid 2011 Global Report*⁶, along with the official evaluations of the *Paris Declaration*, saw little evidence since Accra of improved processes for systematic inclusion of peoples’ organizations and voices in determining and reviewing development priorities at the country level.

15. Transparency was an important addition as a principle to accompany accountability, which happened in the last phases of the negotiations. Finally, CSOs failed to have a reference to “development outcomes” rather than “results” in the second principle, but the elaboration of this principle usefully focuses on longer-term impact on both poverty and inequality.

C. Actions to Improve the Quality and Effectiveness of Development Cooperation

16. The Outcome Document acknowledges that “major challenges persist” in advancing the aid effectiveness agenda (§15). This is an understatement as the Independent Evaluation and DAC Survey of Progress for the 2005 *Paris Declaration* document that only one out of sixteen commitments were met. The commitments of *Paris* and *AAA* are reconfirmed, but only for “those of us [i.e. donors, multilateral organizations and developing country governments] that endorsed the mutually agreed actions set out in Paris and Accra”. These actors “will intensify our efforts to implement our respective commitments [from Paris and Accra] in full” [§16]. Yet no specific timelines or indicators of progress are provided and several that were included in earlier drafts were removed in the final stages of negotiation. For both developing country governments and CSOs, redressing the failure to make significant progress on these commitments were key demands in Busan.

Ownership, Results and Accountability

17. Development results, untying aid and country systems CSOs sought stronger language in §18, without effect, stressing the need for increased focus on development outcomes and impacts rather than results. Despite considerable effort by the developing country Sherpas, there was no progress in the further untying of aid §18(e), with earlier draft text to fully untie aid by 2013 removed. However, given the evidence that much aid remains informally tied to donor contractors, there is an important reference to “opportunities for local procurement” that should result from untying. Developing

⁶ Reality of Aid Network (2011). *Democratic Ownership and Development Effectiveness: Civil Society Perspectives on Progress since Paris*, Reality of Aid 2011 Report, October 2011, accessible at www.realityofaid.org.

countries also sought commitments to strengthen and to use country systems in the provision of aid. Both untying and country systems were “deal breakers” for the developing country caucus. While no movement was achieved on untying, a new paragraph (§19) was added only in the final negotiations at Busan, which reiterated the Accra commitment to use country systems as the default approach, which “remains central to our efforts to build effective institutions”. However, the text qualified this commitment by insisting that use of country systems should respect “the governance structures of both the providers of development cooperation and the developing country [emphasis added]” (§19).

18. Gender equality and women’s empowerment BetterAid welcomed the inclusion of a full paragraph on gender equality and women’s empowerment in §20. A CSO Global Women’s Forum held just prior to HLF4 underscored that “women, feminists, women’s organizations and women movements play key roles in development at all levels and stress that the full realization of women’s rights as human rights are essential to any development and to any development cooperation framework”. The *Busan Partnership* clearly advances commitments to address gender equality and women’s empowerment as “an end in its own right and a pre-requisite for sustainable and inclusive growth” [§20]. Nevertheless, CSOs failed to ground these commitments explicitly in women’s rights, including the UN Convention on the Elimination of All Forms of Discrimination against Women. Women’s organizations also were highly critical of a parallel *Busan Joint Action Plan on Gender Equality and Development* proposed by the United States government, expressing concern that the *Action Plan* is too heavily focused on promoting women solely as vehicles for economic growth. The *Plan* was left open to further consultations.

19. Parliaments and local government A commitment to strengthen the critical roles of parliament and local government in development, “backed by adequate resources and a clear action plan”, links citizens and their government, picking up the earlier commitment to “democratic ownership” in §12. Parliaments and local governments “play critical roles ... in ensuring broad based and democratic ownership of countries’ development agenda” [§21].

20. Enabling CSOs as development actors Paragraph 22 speaks to the roles of CSOs, as well as to an enabling environment [§22(a)] and to CSO commitments to strengthen their own accountability and development effectiveness [§22(b)]. Paragraph 22(b) acknowledges that CSOs will be guided in this regard by the *Istanbul Principles* and the *International Framework for CSO Development Effectiveness*. This should put to rest any reference to Paris principles or other policy frameworks in relation to CSO development effectiveness. As noted above, §22 also reinforces international human rights standards and norms in defining CSO roles, consistent with the foundations of the eight *Istanbul Principles*.

21. CSOs in Busan advocated strongly for language that would qualify enabling conditions to maximize CSO contributions to development, recognizing the deterioration in these conditions in many countries. Language was proposed, coming from the multi-stakeholder Task Team on CSO Development Effectiveness and Enabling Environment: a commitment to “an enabling environment, both in law and in practice, in keeping with existing

commitments in international and regional instruments that guarantee fundamental human rights”. This was resisted up until the very last moments of negotiations despite a robust paragraph that defines legal and regulatory enabling conditions for the private sector ([§32]. In the final day of negotiations, a phrase was added to §22(a): “implement fully our respective commitments to enable civil society to exercise their roles as independent development actors, with a particular focus on an enabling environment, *consistent with agreed international rights* [emphasis added] ...”. But there is no elaboration of these rights and their implications for an enabling environment, particularly in relation to other commitments in the outcome document.

22. Taken together §22 and its sub-paragraphs represents a powerful rights-based endorsement of civil society as development actors. But in this regard it remains in tension with other dimensions of the *BP*. For example, §11(b) and §18(b) talk about investment and efforts for results “aligned with the priorities and policies set out by developing country governments” [§11(b)]. “Aligned” was inserted to replace “consistent with...” in earlier drafts. Similarly §18(b) says that “country-led and country-level results frameworks and platforms will be adopted as a common tool among all concerned actors”, whereby earlier drafts spoke of such frameworks being adopted “with all concerned actors”. CSOs will find it difficult to be true partners, respecting CSO roles in realizing rights, in the absence of an overall human rights framework for development cooperation governing all development actors, and most particularly government as rights duty-bearers.

Transparency and responsible cooperation

23. Transparency Commitments to advance the transparency agenda were also controversial in Busan. Transparency advocates faced last minutes attempts (by the World Bank) to qualify “the full range of information on publicly funded development activities” by limiting this to only “non-commercial activities” (i.e. excluding much of the Bank’s International Finance Corporation (IFC) activities). In the end, this language was removed and replaced by “subject to valid concerns about commercially sensitive information” [§23(a)]. Also controversial were references to IATI despite several major donors (the United States, Canada and Oxfam) signing onto IATI during the Forum, now covering 75% of official aid disbursements. According to the *BP*, a common, open standard for the provision of information is to take account of both IATI and the OECD-DAC statistical reporting, with agreement “on this standard” by December 2012 and full implementation by 2015. Paragraph 24 recommits donors to the Accra commitment to publish rolling three to five year forward expenditure plans for developing countries by 2013, despite a lack of progress to date by most donors, including Canada.

24. Aid Fragmentation Developing countries are to lead consultations and coordination to manage diversity at the country level, while providers of aid “have a responsibility to reduce fragmentation and curb the proliferation of aid channels” [§25]. While the same paragraph does “welcome the diversity of development actors”, CSOs continue to be concerned that these efforts for “coordination” may be used to constrain CSOs as independent development actors at the country level, when combined with earlier language on the importance of alignment. Paragraph 25(b) also speaks to the proliferation

of global funds and commits to “work to reduce the proliferation of these channels and ... by the end of 2012 agree on principles and guidelines to guide our joint efforts” [§25(b)].

Sustainable development in situations of conflict and fragility

25. Two paragraphs (§26 and §27) relate to development cooperation in situations of conflict and fragility. Considerable CSO attention was given to these two paragraphs in order to strengthen references to inclusive processes involving civil society as crucial participants in overcoming the challenges of conflict and fragility. While earlier drafts “endorsed” the “New Deal for Engagement in Fragile States”⁷, CSOs were overall positive that development actors “welcome the New Deal” and those who have endorsed commit to pursue actions to implement it. Among other aspects, the New Deal recognizes that “constructive state-society relations, and the empowerment of women, youth and marginalised groups, as key actors for peace, are at the heart of successful peacebuilding and statebuilding” and “are essential to deliver the ‘New Deal’”. The otherwise overwhelming state-centric orientation of these paragraphs on conflict, fragility and vulnerability was somewhat ameliorated with added references to “people’s security” [§26 (a)] and assurances that development strategies “prioritize the building of resilience among people and societies at risk from shocks” [§27].

From effective aid to cooperation to effective development

26. Paragraphs §28 to §34 importantly extend the purview of the *BP* beyond aid as a development resource, to new development partnerships (South-South cooperation) and new development actors (private sector). The draft text of these paragraphs however raised deep concerns for CSOs in Busan not only in terms an absence of a normative framework, consistent with the principles in the preamble, but also for their seeming endorsement of a neo-liberal model for development.

“... While we acknowledge the contribution of economic growth to development, we underscore our conviction that growth is not the engine room of development. Development is about fulfilling the rights and needs of people. Growth is a means to that end but which needs to be monitored and held accountable for poverty, inequalities and environmental degradation.” Emele Duituturaga, Co-Chair, Open Forum, Closing Speech at HLF4

27. Effective development, according to §28(a) calls for a “framework within which development is driven by strong sustainable and inclusive growth”. This represents a modest improvement during the final stages of negotiations from earlier drafts that suggested that sustainable and inclusive growth represented a “new vision for development”. CSOs were seeking

language that situated this vision or framework within international human rights norms and standards and that qualified that sustainable economic growth must create an

⁷ The “New Deal for Engagement in Fragile States” is the outcome of a process by members of the International Dialogue on Peacebuilding and Statebuilding comprised of 19 fragile and conflict-affected countries, development partners, and international organisations. The New Deal intends to put the voice of fragile states and their people at the heart of their own country led and owned peacebuilding and statebuilding solutions with the support of their international partners. It will be piloted until 2015. More information is available at www.g7plus.org.

environment in which people can develop their full potential and engage in productive and creative lives. CSOs also sought a reference to “effective democratic states” in §28(c), not just effective states. While noting the positive language on rethinking the way aid is allocated consistent with human rights norms and standards in §28, none of these CSO proposals were accepted.

28. Despite being largely absent from Busan and the Working Party, the *BP* puts forward the private sector as a development actor with “the central role ... in advancing innovation, creating wealth, income and jobs, mobilizing domestic resources and in turn contributing to poverty reduction” [§32]. This paragraph not only commits to robust enabling environment for the private sector, including foreign direct investment and public-private partnerships [§32(a)], it also commits to “enable the participation of the private sector in the design and implementation of development policies and strategies to foster sustainable growth and poverty reduction” [§32(b)]. While contrasting repeated but failed efforts to define in the text a CSO enabling environment, CSOs also sought with no success language in §32 that an enabling environment for the private sector should be consistent with the human rights principles, ILO standards and the OECD guidelines for multinational enterprises. CSOs also failed to insert language that committed private sector actors to full transparency and accountability.

29. Compared to Accra three years earlier, this paragraph on the private sector, when combined with the previous §28, represents a significant re-orientation of development discourse and policy priorities. Many official donors increasingly look to the use of aid as a catalyst within wider strategies to promote economic growth as the main avenue for achieving poverty reduction. It is also highly consistent with the 2010 G20 *Seoul Development Consensus for Shared Growth*, no coincidence given the Korean government as host for HLF4.

D. The Road Ahead: Partnering for progress towards and beyond the MDGs

30. Assessing progress on commitments The mantra for the Busan HLF4 follow-up has been “global light, country heavy”, with widespread agreement that post-Busan the emphasis must be on country level implementation of commitments by all development actors that respect unique country contexts. Such implementation includes the commitments by CSOs to improve their own development effectiveness, guided by the *Istanbul Principles* and the *International Framework for CSO Development Effectiveness* [§22(b)]

31. Paragraph 35(a) emphasizes the importance of country level indicators grounded in their aid and development policies. Despite the importance of this emphasis, CSOs were concerned that an exclusively country accountability process, without reference to global norms and commitments in determining country indicators, would largely leave donors free of an overall assessment of their performance. While failing to add references to human rights norms and standards as such as reference for country-level accountability, in the end, there was agreement in §35(b) to develop at the global level “selective and relevant set of indicators and targets through which we will monitor progress on a rolling basis,

supporting international and regional accountability for the implementation of our commitments”. These indicators will be determined by June 2012 through an extension of the Working Party Executive Committee on which BetterAid continues to have a seat.

32. Global Partnership for Effective Development Cooperation After much debate the future architecture, agreed in principle in Busan, remains to be elaborated by the Working Party Executive Committee by June 2012. The outline for this new architecture is set out in §36. It calls for continued high-level political engagement, combined with inclusive spaces for dialogue, mutual learning and accountability at the global level. The Global Partnership will ultimately replace the Working Party on Aid Effectiveness with a more inclusive engagement of non-DAC donors and other development actors. But it will also have “light working arrangements ... including its membership” as well as “opportunities for regular ministerial-level engagement”. Questions remain on the inclusiveness of the membership of the operational body for the Partnership, although it would seem that CSOs would be included. But it is not yet apparent that all countries represented in the Working Party will be present. Finally, in contrast to current arrangements where the OECD-DAC manages the Working Party, §36 indicates that both the OECD-DAC and the UNDP will combine to support the effective functioning of the Global Partnership, “based on their respective mandates and comparative advantages”.

33. Clearly much needs to be discussed during the next six months to formalize a renewed architecture based on the *Busan Partnership*; it is a dialogue in which CSOs intend to continue to press issues of inclusiveness, equity, and strong normative foundations for indicators to assess progress on well-intended words in Busan, which often lack specific directions.

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