European NGO confederation for relief and development

REPORT
Civil Society Summit Europe 2016
The future of development cooperation – who is really benefiting?

Report from an event organised by CONCORD AidWatch with the support of Eurodad, CPDE, Reality of Aid, the ONE Campaign and CAN Europe, and held in Brussels on 16 February 2016

Around the world in discussions on development it is often said that we are in a new era of development cooperation. The 2030 Sustainable Development Agenda is lauded as a new agenda, different from everything that came before: a universal agenda aiming to address the social, economic and environmental aspects of sustainable development in an integrated way. While this may or may not prove to be true, the challenges facing the global community in the post-2015 world are quite similar to those it faced in the pre-2015 world. The question of how to finance and implement this new agenda remains a cause for concern. The concepts of development cooperation and aid, understood as a transfer of public resources from north to south, has changed. In our advocacy on development finance and aid, we must take these changed notions into consideration while also addressing new challenges and needs.

The negotiations on the Addis Ababa Action Agenda and the outcome of the Third Financing for Development Conference (FFD3), the failure of northern countries to uphold their climate finance responsibilities, the north/south divide in the UN on international tax and sovereign debt cooperation, reviewing the EU Consensus for Development as the EU questions how the SDGs will be implemented and how the new agenda will tackle old problems… all raise practical and political questions about how this agenda will be implemented. The EU – with a few exceptions – has failed to live up to its aid commitments. At the same time as they were promoting the EU's re-commitment to the 0.7% target in the FFD3 negotiations, many member states were slashing their development cooperation budgets, double-counting aid with climate finance, discussing how to re-define official development aid (ODA) at the OECD DAC and committing spending to activities that have a dubious development rationale, in particular by factoring in costs for security and in-donor refugee programmes.

Moving beyond the negotiations to implementation in the coming year, the Civil Society Summit Europe 2016 "The future of development cooperation – who is really benefiting?"

aimed to engage European and international CSOs in a discussion on the future role of aid and financing for development. It aimed to facilitate discussion and debate in civil society to take stock of our collective priorities and strategies, adapting them in line with the demands and challenges of a new financing and development era.

Through a line-up of excellent panel speakers, followed by strategically focused discussions in working groups and an invitation to the Summit's audience to write their thoughts and ideas for "new tools", "new messages" and "new actors" on the "innovation wall", the Civil Society Summit came up with a number of key messages and takeaways for the work on the future of development cooperation in the months and years to come.

The summit's opening session focused strongly on concerns relating to end of aid as we know it: agenda, need for re-activation, need for (additional) new aid instruments in a changing macro-economic framework, leveraging more finance needed in a right frame, in new places and fora, and within the framework of a new generation of rights (right to mobility, to minimum income, to public-interest litigation). As geopolitics shifts development cooperation, Nordic exceptionalism fades away, peace and security spending replace investment in development, civil society space shrinks, and civil society – as a public good – disappears. All of that taken into account would hugely undermine the fulfilment of huge expectations towards civil society, in particular in their role in achieving the SDGs, sadly followed by no (core) funding for their functioning.

Setting the scene for the working-group debates on aid quantity and quality that were to follow, the audience had a chance to engage with our panellists on issues relating to the **current refugee crisis, as migration flows are curbed and ODA is increasingly diverted to meet growing in-donor refugee costs across Europe**. In that regard, it became evident that more data on funding sources and the destination of aid was needed; henceforth, finance ministries should also be involved in development aid debates. Secondly, since finance is reinventing itself to survive the current crises, we – as civil society – must work with new and very different groups to find strategies for **dealing with financing for development in a smart way**. When it comes to climate finance in a development context, it seems that a lot of trouble in civil society cooperation comes from undefined "new and additional" sources of funding for climate-related global commitments. The global community needs more and better climate finance, both new and additional. Development cooperation's space must be reclaimed, so that it better serves the purpose of poverty eradication. In a situation where there are many competing issues in development aid, **coherence, effectiveness and accountability** need to be considered – messages have to reach governments in the South, while control-balancing Southern CSO actors must brought in to engage in a development paradigm alongside the donor countries' debate on how to use resources. Factors that appear to make a difference are democratic ownership, inclusive partnerships, data accessibility and mutual accountability. Last but not least, the fact that **private finance (loans and leveraging, public-private partnerships) is replacing aid development** and cooperation was brought to the table. The growing push to join this trend was ascribed to domestic needs and donor countries' interests – calling into question "commercialisation" and the effectiveness of development policy on a grand scale.

In two consecutive rounds of break-out debates, the Summit's participants had an opportunity to explore aid quantity and quality issues in more depth in the following working groups:

- Politicisation of aid (background document)
- Commitments galore – from promises to reality (background document)
- After the Paris COP and the NY SDGs: a new agenda for looking at climate finance and aid (background document)
- The reality of aid budgets and their effect on CSO space (background document)
- Promoting better development cooperation through Agenda 2030 (background document)
- Question and Answer session with the OECD DAC
- Effectiveness and impact of private sector and blending (background document)

Key messages and takeaways from the working groups

Politicisation of aid

There was good attendance and participation at the group discussion. After a quick presentation of the background paper, two different rounds of reactions and comments followed, focusing on policies and then on messages and advocacy opportunities.

On **policies**, the following was noted:

- It can be more timely and opportune to refer to the **"instrumentalisation" of aid**, a term that better reflects donors' current tendency to utilise ODA and development strategies to serve their immediate needs and interest, as in case of the refugee crisis
- In this regard, **several shifts in donors' policies are underway** on different levels simultaneously
- donors are adjusting their country and sector priorities
- they are tailoring their relationships with development partners in line with the new agenda
- the space for CSO action is shrinking even in donor countries (see for instance the new UK legislation preventing NGOs from allocating public funding to advocacy campaigns – tbc)

On **messages and advocacy** opportunities:

- The **review of the EU's external and security strategy may present threats** and offer opportunities
- The EU communication on Agenda 2030 and the review of the EU consensus on development cooperation is another area to monitor
- **Public support for genuine aid** may be still strong enough, according to polls carried out in several countries, including the UK

- There might be **space for a "disclosure" campaign** to bring donors' obscure practices into the spotlight
- It is in fact acknowledged that most of the donors agree on how to **adjust their policies "behind closed doors"**, which may epitomise the current state of affairs. AP: explore ways to push for a DAC reform to increase the transparency of donors' polices
- At the same time, it is more urgent than ever to **demonstrate that smart aid actually pays off**

Commitments galore – from promises to reality

We looked at the numerous aid commitments that donors have made and continue to make: how many of them have actually been met and how we could ensure that more of them are fulfilled and turned into real outcomes on the ground.

There is a gap between what has been promised and what has in fact been delivered in terms of development aid. Donors regularly make ambitious aid promises such as 0.7% ODA/GNI, and commitments to specific groups like the least-developed countries, or to specific sectors like health, or they promise to respond to emergencies like the Ebola outbreak or the current refugee crisis. This gives the impression that more aid is continuously being promised to poor countries. In reality, however, poor transparency and poor accountability, unmet promises, or donors spending aid on priorities other than poverty reduction often mean that the money being promised is either not new or simply not delivered, and therefore doesn't lead to real outcomes on the ground.

In order to overcome these obstacles, more and better data is needed, together with increased accountability and transparency, a correction of priorities, greater pressure on leaders, and aid champions to turn words into actions. Commitments are very important tools and should be encouraged, as they give civil society organisations leverage for putting pressure on governments to deliver for the world's poorest people. The promises made last year in Addis, New York, Brussels and everywhere else are all opportunities and important instruments that we should use to keep up the pressure on leaders to prioritise the poorest. But all the challenges previously mentioned are real obstacles, preventing these promises from delivering real changes on the ground.

Five ways were identified to increase pressure at national and EU level to ensure that aid is rapidly increased and promises are finally kept:

1. **Use existing data and fight for more and better data**
    a. European CSOs should make better use of existing data such as national budget documents and PWYF data.
    b. European CSOs should advocate for better data and a new framework to enable them to track aid commitments better: is the money that is being pledged new and additional, has it been delivered, has it led to changes on the ground?

2. **Change the narrative/discourse around aid to shape public opinion and increase pressure on leaders.** We should leverage current international crises – such as the refugee crisis and deepening inequality – and present aid as one of the solutions to leaders, to help them sell it in the current context. This would help make aid resonate more with people.
3. **Ensure the rules are fit for purpose.** CSOs must engage with the OECD DAC to ensure that the ODA reporting rules are fit for purpose and that ODA is more strongly focused on poverty eradication.
4. **Engage with other groups**, such as climate and humanitarian CSOs, and work together to track data better and develop a joint narrative.
5. **Engage with Southern CSOs** to ensure their needs and concerns are taken into consideration more and are reflected in aid decisions.

After the Paris COP and the NY SDGs: a new agenda for looking at climate finance and aid

The aim of this discussion was to break down the somewhat superficial barrier between climate finance and aid, particularly as they mainly come from the same source – development aid budgets.

The outcome of Paris COP21 does little to suggest that climate finance post-2020 will be either new or additional to existing development support. A re-commitment of 0.7%, combined with limited action to ensure that climate finance should be contributed on top of that, means that it will be **important to push donor governments in the EU to continue delivering consistent, good-quality financial support**. With this in mind, how can groups focusing on climate finance work more consistently with groups that focus on development assistance? Is there scope for revising our positions, the better to tackle the political realities we face when it comes to financing action overseas?

The discussion that followed focused on **re-labelling climate finance** (e.g. as "ecological debt"), greatly broadening the concept to incorporate climate into development needs; on global resource mobilisation to assess collective EU commitments to identify inconsistencies, and on the EU reporting mechanism – all then to be connected to processes taking place internationally.

Innovative sources of finance were yet another issue keenly debated. If climate groups are going to continue advocating for new and alternative sources, there is scope for other NGO constituencies to support them at key moments for putting pressure on European governments; for example, the Financial Transaction Tax would widen the scope of CSOs calling on their governments to allocate a specific share of revenue to development and climate. There seems to be a need, however, to ensure a consistent narrative on innovative finance, without accepting certain practices such as the blending of public and private finance to constitute one source of this kind of financing. Here, it may prove important to follow up with key development groups, including health NGOs, potentially through a joint call on the same issue of interest.

Monitoring and tracking the overall flows of public finance from the EU and member states – can climate and development-finance advocates collaborate on this? We would need to set the parameters and agree on what to measure with regard to the quality of sustainable development financing, and we would have to get the narrative right on why transparent, consistent reporting is crucial. An idea for a joint piece of work to meet this goal could be to expand the scope of CONCORD AidWatch research to include EU contributions to climate finance and track how donor governments have arrived at the climate finance figures they are publishing.

On the issue of **Policy Coherence for Sustainable Development**, there was broad agreement on assessing whether the EU's current policies are meeting the requirements to improve sustainable development, both within our borders and outside of them. In order to bridge the gap and repair the artificial fragmentation of climate and broader development concerns, inconsistencies need to be captured.

The reality of aid budgets and its effect on CSO space

The session on *The reality of aid budgets and effects on civil society space* began with a presentation by Åsa Thomasson, CONCORD Sweden, on the severe cuts to aid and to funding for CSOs either made or announced during the past year in several EU member states. Even EU donors who are not cutting funding, such as the UK and the EU institutions, are introducing substantial reforms to how they support CSOs. The presentation looked at the background of negative tendencies in the global situation of democracy, human rights and civic space. The perception of governments is shifting towards a **very instrumental view of the role of civil society in development**, away from the spirit of the Busan partnership agreement´s recognition of civil society organisations as independent and important development actors in their own right.

Participants discussed the effects of the current reforms on our own organisations from three perspectives. How do they affect our relationships with Southern partners, with our main donors and with EU-level decision makers and processes? And how can we respond to current trends? One issue discussed was that many **decision makers do not have a clear understanding of what civil society is or what role it plays in the development** of a democratic society, and that we ourselves are not always good at showing clearly who we are and why it matters. We need to get better at connecting our policy advocacy work systematically with messages based on the links to our constituencies and partners, and the values and knowledge we stand for, and why they matter for development.

We also discussed the importance of telling stories in order to share values. For responding to cuts, we talked about the need to be very concrete, to give examples and document the consequences of the cuts. Being concrete is also important when sharing the results of our work, and when discussing donor reforms. The donors' jargon is often the same, whether the reforms affect CSOs positively or negatively. So we need to be more specific in our positions. There are ways of designing donor requirements so that they focus more on results that lead to greater effectiveness, and there are also ways that lead to ineffectiveness and a restriction of space.

On the subject of funding cuts, we talked about the **risk that having less total funding available could lead to more competition and less cooperation between CSOs**. In some EU countries, participants have seen CSOs go quiet and become less openly critical of their government for fear of losing funding opportunities. How do we find ways to cooperate for a stronger common voice when the voices of individual CSOs are hushed?

For Southern partners too, the increased competition for funding can lead to negative consequences such as artificial partnerships, competition between ICSOs and local CSOs, project initiatives driven by donors, and so on. How can ICSOs “protect” local partners from the negative consequences of donor requirements?

Promoting better development cooperation through Agenda 2030

Development effectiveness principles would help all of us to address many issues relating to the Sustainable Development Goals (such as inequality). For Agenda 2030, development plans need to be better translated, now, into national plans, which would provide an opportunity to identify the right mechanisms and actors and the effectiveness principles to be upheld. This should be also reflected in the review of the EU Development Consensus, influencing the EU’s migration agenda and the outcomes/progress report after the second GPEDC round.

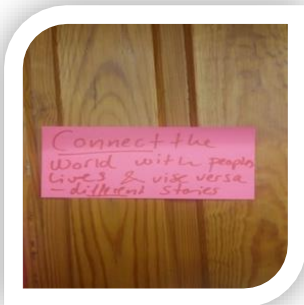
Question and Answer session with the OECD DAC

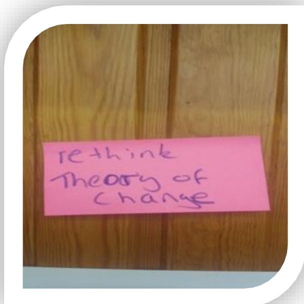
The exchanges with representatives from OECD DAC brought up civil society’s concerns about the lack of transparency of internal processes, an issue of particular relevance for the redefinition of ODA. Specifically, on issues to do with the new definition and ODA costs arising from the refugee crisis, civil society members need to lobby their respective member states to open up those discussions as much as possible. Some concerns relating to TOSSD were also raised.

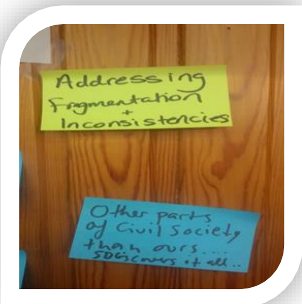
Effectiveness and impact of private sector and blending

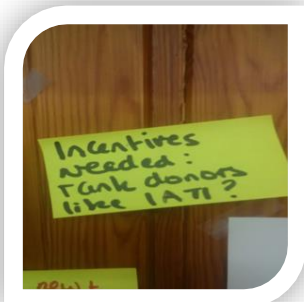
The main takeaways from the session were a **shared sense of confusion about what defines a private-sector contribution**, whether through blending or public-private partnerships at various levels, and **confusion as to exactly what private sector we are all talking about**. When it comes to effectiveness, impact, results achieved, accountability and transparency, a greater need for updated and re-packaged messaging emerges. Discussants agreed that such debates belong in the discourse on public finance rather than that on the private finance framework, with due consideration given to **sufficient room for the innovative financing mechanisms needed in a changing world**, and a need to fit into the Financing for Development follow-up agenda, starting in 2016.

INNOVATION WALL ideas









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