
Statement to the United Nations Development Cooperation Forum June, 2010

The UN-Development Cooperation Forum (UN-DCF) will meet on 29-30 June in New York to discuss a set of five issues related to development and the current nature of partnerships: policy coherence; accountable and transparent development cooperation; South-South cooperation (SSC); competition for limited resources; and achievement of the Millennium Development Goals (MDGs).

BetterAid recognises the potential and positive role that the UN-DCF could play as part of re-envisioning the current nature and governance of development cooperation. The-UNDCF remains an inclusive and universal forum, bringing together the full membership of the United Nations (UN) with a diverse range of stakeholders. It is also the principal and legitimate forum for discussions and standard-setting on international development cooperation with the appropriate mandate and representation needed. The following statement outlines this vision, and lays out how member states convening at the UN-DCF can take action on the following points:

- 1. Promote and implement greater policy coherence in development cooperation**
- 2. Lead wide-reaching reforms of international financial and development cooperation systems**
- 3. Allocate resources among competing needs in a context of multiple crises**
- 4. Address effectively the various forms of cooperation including South-South and triangular cooperation**
- 5. Enact accountable and transparent development cooperation**
- 6. Respect true mutual accountability**
- 7. Ensure systematic and substantive civil society participation in the UN-DCF process**

The meeting of the UN-DCF occurs against the backdrop of the world economy in fragile and uneven recovery. Massive financial rescue packages may have succeeded in propping up a market driven economy, but now austerity policies, long championed by International Financial Institutions (IFIs), are re-emerging as solutions to the crisis. Such a stance risks the further weakening of national economies and may cause them to fall back into recession. Economic contraction and the re-channelling of government funds to national stimulus spending have translated into a decline in international development assistance from key donors.¹ At the same time, donor support to vital issues such as the food and environmental crises has not been additional and involve the re-programming of commitments already pledged.

Today's world can be broadly characterised as one of stalled economic recoveries and uneven unsustainable development. **The report of the UN Secretary General (SG) ahead of the UN-DCF concedes as much, but does not present an effective way forward.** Moreover, the SG report fails to recognize fully that the financial crisis and economic recession have strongly gendered dimensions and are intertwined with crises plaguing food, energy, water, the environment, work and care. These problems are systemic in nature and overlapping and require solutions that treat them as such.² For example, while gender equality is addressed (insufficiently) in the SG report, it does not recognize it as a central development goal and relevant to all the Internationally Agreed Development Goals (IADG), including the MDGs.

¹ Preliminary ODA Figures for 2009, Available at: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1_00.html.

² AWID (2010) "The Impact of the Crisis on Women: Main trends across regions", by Natalie Raaber, Cecilia Alemany, Anne Schoenstein and Graciela Dede. Available at: <http://www.awid.org/eng/About-AWID/AWID-News/Briefs-The-Impact-of-the-crisis-on-Women>

More than ever, accountable and responsive action is needed on the part of member states through the UN-DCF to work with all stakeholders. This must include governments (donors and developing countries governments), parliamentarians, civil society organisations (CSOs), and the private sector — in setting a new agenda for development and ensuring its effectiveness.³

The timing of this meeting is singular. The UN-DCF precedes the 10-year review of progress made on the MDGs and is occurring in advance of activities leading up to the next High Level Forum on Aid Effectiveness (Korea, 2011). Both the UN-DCF and the MDG Review Summit, (to be held in September), present an opportunity to achieve the fundamental and lasting reforms to the existing global governance architecture, which brought us to this unmanageable situation. Yet the chance for the UN-DCF on setting a new course on these issues, and to present an alternative development framework, is slipping away.

BetterAid therefore urges Member States and other partners in development cooperation to come to the UN-DCF to build a broad and meaningful consensus on development policies and interventions that can accelerate progress towards the IADGs, including the MDGs. Fundamental reforms in prevailing development cooperation priorities and practices are urgently needed to ensure that international development cooperation promotes sustainable change and marginalized populations as the central actors and owners of development.

We call on Member States to take action on the following points that reflect the priority themes of this year's event and draw on the outcomes of preparatory meetings:

1. Promote and implement greater policy coherence

Achieving the IADGs requires a holistic approach to multilateral decision-making and policy that holds human rights, solidarity, gender and social equality, responsibility and mutual accountability as its guiding tenets. The lack of progress thus far on the IADGs, including the MDGs, suggests that the institutions tasked with making policy and providing the space necessary for development to take place have proven ineffective. We need to move away from the neoliberal framework that has guided these institutions towards policy coherence that is grounded in a rights-based approach to development. This should encompass not just aid and development cooperation but the full range of policy areas including trade, finance, investment, climate, energy, etc

In this vein, we call on governments and multilateral institutions, particularly donors and IFIs, to:

- Adopt explicit statements (or legislation) on policy coherence for development. These should affirm development as a shared responsibility among nations and development actors, and uphold the primacy of human rights, decent work, gender equality and ecological sustainability in development and development cooperation.
- Evaluate existing policies on aid and beyond to ensure that they do not contradict or undermine this overarching commitment to development. This should be done through an inclusive and participatory process at various levels involving parliaments, local governments, civil society and other stakeholders.
- Enhance ownership and leadership of developing countries in development planning
- Establish inter-agency mechanisms for coordinating policy formulation and implementation.
- Establish mechanisms to monitor outcomes and hold governments and development cooperation partners accountable.

2. Lead wide-reaching reforms of international financial and development cooperation systems

Policy coherence can only be achieved with significant reform of the existing global governance architecture at all levels, including in financial markets, trade, foreign direct investment and debt. The SG report falls short in presenting concrete recommendations to facilitate this restructuring.

Reforms to the global governance architecture must seek legitimacy by engaging all development actors, especially the impoverished and marginalized in developing countries,

³ See also BetterAid policy paper (January 2010) "Development Cooperation: Not Just Aid". where we understand effectiveness as the impact of development actors' actions on the lives of poor and marginalized populations and on promoting sustainable change that addresses the root causes as well as the symptoms of poverty, inequality, marginalization and injustice, Available at: http://betteraid.org/images/Documents/dev%20coop%20not%20aid_english.pdf

including Least Developed Countries (LDCs), and ensuring coherence across international institutions and policies. Reformed structures should be grounded in international human rights covenants and achieve a vision of international development cooperation that goes beyond aid delivery processes to focus on development effectiveness and the concepts of solidarity and partnership.

As new actors like the Group of Twenty (G20) have emerged in global policy debates, inter-institutional coordination should become an essential aspect to international development cooperation. G20 decisions should fully account to the discussions taking place at the UN and other multilateral institutions.

BetterAid also urges member states to strongly consider the findings of last year's Stiglitz Commission Report⁴ which recommended that a Global Economic Coordination Council be created to coordinate policy between international institutions, build consensus among development actors and promote development.

In addition to this, Betteraid calls on member states to study the feasibility of a convention on development effectiveness in development cooperation to strengthen commitments to internationally agreed development goals; enhance policy coherence for development from the international to the national level; address common standards for adherence; and improve international coordination among all actors towards effective responses to both immediate and long term development challenges and demands.

3. Allocate resources among competing needs in a context of multiple crises

Donors failed to meet Official Development Assistance (ODA) commitments prior to the onset of the financial crisis in 2008 and many have since been scaling back aid. Now in light of the European sovereign debt crisis and the resulting pressure to adopt fiscal austerity measures, we will almost certainly see shrinking ODA figures and quickly deteriorating prospects for reaching MDG targets. At a time when even meeting the MDG targets are already in jeopardy, failing to meet aid commitments is unacceptable. In this context, we note that LDCs are the hardest hit while they are the least responsible for the multiple crises.

Instead, donors should be trumping up aid and developing targeted plans of action based on a human rights framework with an integrated gender equality approach to ensure that the MDGs, and the broader IADGs, become reality. As part of the process, donors need to be accountable for the commitments that they have made previously. This includes commitments made on gender equality and women's empowerment such as in the Beijing Declaration and Platform for Action⁵.

Ever increasing debt in the South and the North constrains and competes with the governments' needs to use scarce public funds to provide public goods, public services and to fight poverty and ultimately achieve MDG targets. **In this light, the UN-DCF should endorse the proposal for a multilateral debt work-out mechanism as committed to in the review of the Monterrey Consensus, in the Doha Declaration on Financing for Development⁶, and include this as an integral part of the new development architecture.**

Lastly, public finance and mobilization of domestic resources that go "beyond aid" are also constrained by tax evasion and capital flight. **The UN-DCF should give new impetus to upgrading the UN's Committee of Experts on tax issues to an intergovernmental body, as a first step to installing an International Tax Organization under the umbrella of the UN.**

4. Address effectively the various forms of cooperation including South-South and triangular cooperation

BetterAid supports the promotion of SSC as a strategy by which people and countries of the South pursue economic independence and self-reliance based on shared interests, common objectives and solidarity. But BetterAid believes that SSC should adhere to certain norms and principles – as

⁴ See: http://www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf, p.87.

⁵ Available at: www.un.org/womenwatch/daw/beijing/pdf/Beijing%20full%20report%20E.pdf

⁶ Doha Declaration on Financing for Development (2008), available at: http://www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf

expressed in the BetterAid Policy Paper⁷ on South-South Development Cooperation – to ensure that Southern development assistance truly impacts positively on the lives of poor and marginalized populations. Otherwise, it has the potential of repeating the same failures of the current system of development cooperation and ignoring the principles that need to frame it: human rights, gender and social equality, decent work and anti-corruption. These new dynamics should also be reflected in the international formal and informal fora where development cooperation frameworks are discussed. **The UN-DCF should play a central role in leading and bringing SSC discussions into these structures.**

5. Enact accountable and transparent development cooperation

We call upon developed and developing countries' governments including those of LDCs to work with their elected representatives, local and national CSOs, media and other partners to establish open and transparent policies and mechanisms to monitor how development cooperation is sourced, spent, and evaluated. The related transparency commitments made by signatories in the Accra Agenda for Action (AAA) (paragraphs 24, 25, 26) include making available to citizens this necessary information. **To fulfil this pledge, BetterAid strongly encourages the participation of all donors in realizing the norms and commitments of the International Aid Transparency Initiative (IATI).**⁸ In this regard we stress the need to ensure the breadth and scope of information to be disclosed and that the Code of Conduct is strengthened.

The SG report acknowledges that there also has been little progress in reducing conditions and that incentives within agencies continue to encourage this practice. Even when conditions have been apparently reduced, it is the result of changing their name to 'benchmarks', and from counting several policy reforms as one single condition. Also, any selection of countries by donors on the basis of past performance implies an *ex-ante* conditionality and risks creating "aid orphans". **BetterAid reiterates the call for an end to policy conditionality, which continue to undermine the right to development and the right to self-determination.**

6. Respect true mutual accountability

The commitment in the AAA to review existing international accountability mechanisms and mutual assessment reviews must involve a wide range of factors and provide timely opportunities for country-level input by all development stakeholders. In addition, global monitoring of donor and developing country government commitments should be multilateral, independent, open, accessible, and actively seek parliament's role and grassroots feedback. In this sense, again the DCF may be the appropriate forum for a broader discussion on accountability and transparency in development cooperation, but this role should be stronger than organising debate around high level meetings, and should have a stronger involvement of civil society.

7. Ensure systematic and substantive civil society participation in the UN-DCF process

CSOs have an important role to play in building stronger and more accountable development partnerships. As development actors in their own right and through a human rights based approach to development, CSOs offer unique experience that should be drawn upon in policy making discussions. The SG report recognises this role but does not adequately draw it out in the text or recommendations.

Strengthening the UN-DCF as the main forum for development cooperation norm-setting and multilateral space will require systematic and substantive CSO participation in the whole process – from agenda preparation to sponsored representation, including official speakers slots for participation in all sessions and debates, to ensure all voices enter the debate. ECOSOC standards for participation of CSOs should be respected and the existing process for CSOs participation through the Advisory Group and the DCF CSO task force should be strengthened and improved.

For more about BetterAid, see our website at www.betteraid.org.

⁷ Available at: http://betteraid.org/images/Documents/policy_paper_on_south_south_development_cooperation_eng.pdf

⁸ See: www.aidtransparency.net.