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DRAFT REPORT

on increasing the effectiveness of development cooperation
(2016/2139(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on increasing the effectiveness of development cooperation (2016/2139(INI))

The European Parliament,

- having regard to the United Nations Summit on Sustainable Development and the outcome document adopted by the General Assembly on 25 September 2015, entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, and in particular to Goal 17 of the Sustainable Development Goals (SDGs) set out therein, committing UN member states to strengthen the means of implementation of the agenda and to revitalise the global partnership for sustainable development,¹
- having regard to the ‘Addis Ababa Action Agenda’, the outcome document adopted at the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015) and endorsed by the UN General Assembly in its resolution 69/313 of 27 July 2015,²
- having regard to the report of the UN Secretary-General on ‘Trends and progress in international development cooperation’, submitted to the Development Cooperation Forum of 24-27 July 2016 (E/2016/65),³
- having regard to the Paris Declaration on Aid Effectiveness, adopted at the Second High Level Forum on Aid Effectiveness in 2005, the Accra Agenda for Action adopted at the Third High Level Forum on Aid Effectiveness in 2008 in Accra (Ghana),⁴ and the outcome of the Fourth High Level Forum on Aid Effectiveness in Busan (Republic of Korea) in December 2011 which launched the Global Partnership for Effective Development Cooperation (GPEDC),⁵
- having regard to the Dili Declaration of 10 April 2010,⁶ which concerns peace-building and state-building, and to the ‘New Deal for Engagement in Fragile States’ launched 30 November 2011 at the Fourth High Level Forum on Aid Effectiveness,
- having regard to the Communiqué of the First High-Level Meeting of the GPEDC, held in Mexico City in April 2014,⁷
- having regard to the forthcoming Second High-Level Meeting of the Global Partnership for Effective Development Cooperation, which will take place in Nairobi from 28 November to 1 December 2016,⁸

¹ http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

² http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

³ <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N16/132/05/PDF/N1613205.pdf?OpenElement>

⁴ <http://www.oecd.org/dac/effectiveness/34428351.pdf>

⁵ <http://www.oecd.org/dac/effectiveness/49650173.pdf>

⁶ <http://www.g7plus.org/sites/default/files/resources/Dili%20Declaration%20and%20g7%2B%20Statement%20%5BENGLISH%5D.pdf>

⁷ <http://effectivecooperation.org/2014/03/draft-communicue-for-the-first-high-level-meeting-of-the-global-partnership/>

⁸ <http://effectivecooperation.org/events/2016-high-level-meeting/>

- having regard to the OECD/UNDP 2014 progress report, ‘Making Development Co-operation More Effective’,¹
- having regard to the Siem Reap CSO Consensus on the international framework for CSO development effectiveness of 2011,
- having regard to Article 208 TFEU, which defines the reduction and eradication of poverty as the primary objective of EU development policy and requires that the Union and its Member States comply with the commitments which they have agreed to in the context of the UN and other competent organisations,
- having regard to the 2005 European Consensus on Development² and the plans to agree a new Consensus in 2017,
- having regard to the European Union Code of Conduct on Complementarity and the Division of Labour in Development Policy³,
- having regard to the consolidated text of the Operational Framework on Aid Effectiveness,⁴ which is based on the Council conclusions of 17 November 2009 on ‘An Operational Framework on Aid Effectiveness’, the Council conclusions of 14 June 2010 on ‘Cross-country Division of Labour’ and the Council conclusions of 9 December 2010 on ‘Transparency and Mutual Accountability’,
- having regard to the Commission Staff Working Document of 26 March 2015, ‘Launching the EU International Cooperation and Development Results Framework’,⁵ and the Council conclusions of 26 May 2015 on the Results Framework,⁶
- having regard to the Council conclusions of 17 March 2014 on the EU common position for the First High Level Meeting of the Global Partnership for Effective Development Cooperation,⁷
- having regard to the Council conclusions of 26 May 2015 on a New Global Partnership for Poverty Eradication and Sustainable Development after 2015,⁸
- having regard to the Council conclusions of 12 May 2016 on stepping up joint programming,⁹
- having regard to the Council conclusions of 12 May 2016 on the Annual Report 2016 to the European Council on EU development aid targets,¹⁰

¹ <http://effectivecooperation.org/wp-content/uploads/2016/05/4314021e.pdf>

² OJ C 46, 24.2.2006, p. 1

³ Council Conclusions 9558/07, 15.5.2007

⁴ [18239/10](http://data.consilium.europa.eu/doc/document/ST-9145-2015-INIT/en/pdf)

⁵ SWD(2015)0080 - http://ec.europa.eu/europeaid/staff-working-document-launching-eu-international-cooperation-and-development-results-framework_en

⁶ <http://data.consilium.europa.eu/doc/document/ST-9145-2015-INIT/en/pdf>

⁷ <http://www.consilium.europa.eu/en/workarea/downloadasset.aspx?id=15603>

⁸ <http://data.consilium.europa.eu/doc/document/ST-9241-2015-INIT/en/pdf>

⁹ <http://data.consilium.europa.eu/doc/document/ST-8831-2016-INIT/en/pdf>

¹⁰ <http://data.consilium.europa.eu/doc/document/ST-8822-2016-INIT/en/pdf>

- having regard to the Commission Staff Working Document of 22 June 2015, ‘2015 EU Accountability Report on Financing for Development - Review of progress by the EU and its Member States’,¹
 - having regard to the ‘Global Strategy for the European Union’s Foreign And Security Policy - Shared Vision, Common Action: A Stronger Europe’ presented in June 2016 by the High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission,²
 - having regard to its resolution of 22 May 2008 on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness,³
 - having regard to its resolution of 5 July 2011 on the future of EU budget support to developing countries,⁴
 - having regard to its resolution of 25 October 2011 on the 4th High Level Forum on Aid Effectiveness,⁵
 - having regard to its resolution of 11 December 2013 with recommendations to the Commission on EU donor coordination on development aid,⁶
 - having regard to its resolution of 19 May 2015 on Financing for Development,⁷
 - having regard to its resolution of 14 April 2016 on the private sector and development,⁸
 - having regard to its resolution of 12 May 2016 on the follow-up to and review of the 2030 Agenda,⁹
 - having regard to its resolution of 7 June 2016 on the EU 2015 Report on Policy Coherence for Development,¹⁰
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and the opinion of the Committee on Budgetary Control (A8-0000/2016),
- A. whereas the principles established by the Paris Declaration and the Accra Agenda for Action remain fully valid and have proven their value in enhancing the quality of development aid, as well as public support for it in donor countries;

¹ SWD(2015)0128 - http://ec.europa.eu/europeaid/sites/devco/files/eu-financing-for-development-accountability-report-2015-staff-working-document_en.pdf

² Council document [10715/16](#)

³ OJ C 279E, 19.11.2009, p. 100

⁴ Texts adopted, P7_TA(2011)0317

⁵ Texts adopted, P7_TA(2011)0460

⁶ Texts adopted, P7_TA(2013)0558

⁷ Texts adopted, P8_TA(2015)0196

⁸ Texts adopted, P8_TA(2016)0137

⁹ Texts adopted, P8_TA(2016)0224

¹⁰ Texts adopted, P8_TA(2016)0246

- B. whereas aid effectiveness principles have clearly contributed to progress towards the Millennium Development Goals in many countries, but progress remains uneven and not all principles have been fully implemented in all countries and by all development actors at all times;
- C. whereas Official Development Assistance (ODA) can play a crucial role in delivering on the 2030 Agenda for Sustainable Development, in particular in low-income countries and in fighting extreme poverty and inequality, if it respects the principles of effective development cooperation, namely country ownership, transparency and accountability, focus on results, and inclusiveness;
- D. whereas the Global Partnership for Effective Development Cooperation (GPEDC) provides an inclusive forum bringing together governments, bilateral and multilateral organisations, civil society, parliaments and the private sector from rich, emerging and developing countries alike;
- E. whereas the GPEDC focuses on the conduct of and relationship between development actors, the effective implementation of development policies and programmes, and monitoring the progress in respecting crucial principles defined over the past decade, in order to improve the effectiveness of all actors' efforts for development; whereas its articulation with the global development architecture overseeing the implementation of the 2030 Agenda should be clarified;
- F. whereas countries such as China, Brazil and India play an increasingly important role as emerging donors and for the transfer of development expertise and technology, not least thanks to their own recent and current development experience; whereas their engagement with more traditional donors and their participation in the GPEDC can be enhanced;
- G. whereas the Commission plays an active role within the Steering Committee of the GPEDC, and one of its co-chairs has been from an EU Member State, the Netherlands;
- H. whereas country ownership in development cooperation requires alignment of donors to national development plans and the internationally agreed Sustainable Development Goals (SDGs) and targets, as well as domestic participation as regards design and accountability in the implementation of development plans and programmes;
- I. whereas-donor driven aid agendas risk undermining the ownership and sustainability of development assistance and past progress on alignment;
- J. whereas there is an increased use of results frameworks for measuring the achievements of development cooperation programmes, but the full ownership and use of those frameworks by developing countries remains a persistent challenge;
- K. whereas the 2014 GPEDC Progress Report noted a lack of progress in using and strengthening country systems and stagnation or decline in the use of budget support as a country-aligned modality;
- L. whereas parliamentarians of partner countries continue to express dissatisfaction with the degree to which they are involved in and informed on development cooperation

programming and implementation;

- M. whereas development effectiveness, understood as the effective use of all means and resources geared towards development, depends not only on aid donors but also on the existence of effective and responsive institutions, sound policies, the rule of law, inclusive democratic governance, and safeguards against corruption within developing countries and illicit financial flows at international level; whereas the GPEDC should play an increased role in facilitating and promoting progress on the above determinants for development;
1. Calls on all development actors to build on the commitments made from Paris to Busan, and to renew and reinforce their efforts to make development cooperation as effective as possible with a view to achieving the ambitious goals and targets set out in the 2030 Agenda and making the best use of public and private resources for development;
 2. Notes with concern that as of mid-2015, only five EU Member States had published Busan implementation plans; urges Member States to publish implementation plans and report on their efforts prior to the Second High Level Meeting of the GPEDC (HLM2), which will take place in Nairobi from 28 November to 1 December 2016;
 3. Calls for the outcome document of the HLM2 to clearly address and assign the roles and responsibilities of development actors and institutions in a differentiated manner, in order to enhance progress and facilitate future cooperation;
 4. Considers that the GPEDC can provide added value if its work is strategically phased and tailored in view of the work and calendar of the UN ECOSOC Development Cooperation Forum, the Financing for Development Forum, and the High Level Political Forum;
 5. Stresses that the GPEDC should play a strong role in the evidence-based aspects of monitoring and accountability as regards effectiveness principles for achieving the SDGs and in supporting their fuller implementation by all actors at national level; underlines the need for the GPEDC to provide clearly defined channels for cooperation for specific development actors beyond OECD donors, including emerging donors, civil society organisations, private philanthropists, financial institutions and private-sector companies; believes that the chairing arrangements of the GPEDC should reflect the diversity of stakeholders;
 6. Believes that the GPEDC ought to play a leading role in ensuring progress on SDG 17, namely on monitoring and accountability, quality and capacity aspects of finance for development, tax and debt sustainability, mobilising the private sector and its responsibility for sustainable development, policy coherence, multi-stakeholder partnerships and triangular cooperation;
 7. Encourages the parties to the GPEDC to consider the creation of a more independent and properly resourced permanent secretariat for the GPEDC, building on the work of the Joint Support Team, and urges EU Member States and partner countries to designate national focal points;
 8. Asks to be informed regularly and in a timely manner on the positions taken by the

Commission in the GPEDC Steering Committee;

9. Welcomes the progress made on transparency of development cooperation programming, projects and aid flows, in particular in the context of the International Aid Transparency Initiative (IATI) and the setting-up of the 'EU Aid Explorer'; encourages further efforts by all donors to make information and data more accessible, timely and comparable, and calls on those Member States which are not yet contributing to IATI to start doing so;
10. Invites the Commission and EU delegations and Member States' agencies to inform national parliaments and, to the extent possible, local and regional authorities, as well as private stakeholders and civil society, about programming and financial commitments in relation to development assistance, by publishing country-specific development cooperation reviews, which should provide an overview of strategic documents, donor coordination, Annual Action Plans and ongoing and planned programmes, as well as calls for projects and procurements;
11. Encourages recipient countries' parliaments to adopt national policies on development aid in order to improve accountability of donors and of recipient governments, enhance public financial management and absorption capacity, and improve conditions for receiving budget support as well as, in the long run, reducing dependence on aid;
12. Calls on the Commission and Member States to engage with national parliaments of partner countries with a view to constructively supporting the development of such policies, complementing them with mutual accountability arrangements, and welcomes the Commission's efforts to improve domestic accountability in the context of budget aid by supporting the institutional capacities of national parliaments and Supreme Audit Institutions;
13. Underlines the role in development of citizens, local communities, faith-based organisations, civil society organisations (CSOs) and elected representatives, and stresses that all these actors need to be involved in furthering and implementing the effectiveness agenda at various levels; believes that their effective contribution requires their participatory involvement in planning, mutual accountability and transparency, and that donors should improve predictability and speediness when working with these actors as implementing partners;
14. Welcomes the EU's progress on Joint Programming; notes that Joint Programming reduces aid fragmentation and transaction costs, increases complementarity through better division of labour, and thus provides clear advantages for the EU and partner countries alike; observes that Joint Programming is in place in 59 countries out of 110 partner countries in receipt of EU development assistance;
15. Recalls its request¹ to codify and strengthen the mechanisms and practices for ensuring better complementarity and effective coordination of development aid among EU Member States and institutions, providing clear and enforceable rules for ensuring democratic domestic ownership, harmonisation, alignment with country strategies and systems, predictability of funds, transparency and mutual accountability; asks the

¹ Texts adopted, P7_TA(2013)0558

Commission to provide information on the absence of follow-up on this request and to state what alternative measures it has taken or intends to take in this regard;

16. Calls on the Commission and Member States to develop new initiatives to explore triangular cooperation flagship projects, involving new emerging donors and other middle-income countries;
17. Stresses that development assistance can play an important role in fighting poverty and in promoting development, in particular of least developed countries and of the most deprived and vulnerable groups, as well catalysing other factors that are conducive to development if employed in a context of legitimate, inclusive governance based on the rule of law and respect for human rights;
18. Underlines the significance of SDG 16 for development effectiveness overall, and warns that development aid cannot effectively fulfil its purpose where there is a lack of respect for human rights and the rule of law, sufficient standards and safeguards for the integrity of public institutions and office-holders, and transparency and accountability;
19. Recalls that corruption in recipient countries, whether directly linked to development assistance or not, poses a serious risk to democratic legitimacy and public support for development assistance in donor countries; welcomes, therefore, all measures taken to promote sound financial management and fight corruption, while noting that the situation in many partner countries by definition implies a certain degree of risk;
20. Urges Member States and other donors to scale up efforts and human resources in better conceptualising effectiveness and deep analysis in contexts of fragility, post-conflict and conflict prevention, where desired outcomes may not always be captured in the form of data and within results frameworks;
21. Instructs its President to forward this resolution to the Council, the Commission, the EEAS, the Parliament and Government of Kenya as hosts of the Second High-Level Meeting of the GPEDC, the Co-Chairs of the GPEDC, the United Nations Development Programme, the OECD and the Interparliamentary Union.

EXPLANATORY STATEMENT

The EU has a long standing commitment to improving aid and development effectiveness through development cooperation.

December 2016 will mark the fifth anniversary of the adoption of the Busan Partnership for Effective Development Cooperation. At the same time, the end of November 2016 will see the convening, in Nairobi (Kenya), of the second High Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC), which monitors the implementation of the commitments taken in Busan.

In the previous mandate, the European Parliament has taken a stance on the issue of improving aid effectiveness, now subsumed into the broader notion of development effectiveness, by providing its input in view of the Fourth High Level Forum on Aid Effectiveness.

Five years later, it is important to take stock of the implementation of the global commitments regarding aid and development effectiveness. It is also a good occasion to analyse how aid and development effectiveness could contribute to implementing the SDGs and the Addis Ababa Agenda on Financing for Development. In the new Agenda 2030 context, and given the necessity of ‘doing more with less’, more effective aid delivery and development cooperation remain crucial in order to help alleviate poverty, strengthen national resilience and empower local communities.

Building on the *acquis* and keeping political momentum on development effectiveness

The commitments taken in Busan, building on the *acquis* of the 2005 Paris Declaration and 2008 Accra Agenda for action, have helped define an international standard on aid effectiveness applicable to all actors of development. The five aid effectiveness principles developed over time - ownership of development priorities by developing countries; focus on results through actions that durably reduce poverty and inequalities in the developing countries; inclusive development partnerships based on mutual respect; transparency and shared accountability – remain to this day highly relevant and have proven their worth in terms of improving aid quality, helping countries progress in achieving the Millennium Development Goals and garnering public support in donor countries.

At the same time, the Busan Partnership has been seen by many as a visionary agreement that marked a paradigm shift in our way of thinking and doing development cooperation, by moving from aid effectiveness to development effectiveness and from a North/South, donor/recipient perspective to a model emphasizing also non-aid financing modalities and partnership.

The Fourth High Level Forum has also set up a an institutional mechanism that has proven useful in advancing global dialogue on aid and development effectiveness and ensuring accountability for commitments taken in this field, the GPEDC.

The Global Partnership is based on the Busan Partnership agreement of December 2011, which was endorsed by 161 countries and territories and 54 international organisations. One of its main features is its inclusiveness, as it brings together a wide array of stakeholders, not only governments and international and regional organisations, but also national parliaments,

civil society and the private sector, in order to advance and support effective development cooperation. The GPEDC represents also a useful setup to engage with new or emerging donors and in trying to promote a more homogenous understanding of what development effectiveness entails.

In the Rapporteur's view, the second High Level Meeting of the GPEDC will prove successful if it will manage to identify innovative approaches to sustainable development and address clearly the roles and responsibilities of the various development actors in a differentiated manner. In the context of the implementation of the 2030 Agenda, demands to mobilize and effectively use development cooperation are increasing and the GPEDC is well placed to lead these efforts, provided that there is clarity across the board as to the contribution of each development actor. It will also be essential that the meeting in Nairobi contributes in keeping political momentum regarding aid and development effectiveness in the context of the implementation of 2030 Agenda.

Better articulating the global development architecture

The EU, which has played a major role both in building the current standards for aid and development effectiveness, and in the adoption of Agenda 2030, should continue to assume leadership on these issues and contribute to the reflexion on the articulation and synergies between the two, now that we have entered the implementation stage.

The Addis Ababa Agenda for Action led to the setting-up of a UN ECOSOC Financing for Development Forum, in addition to the biannual Development Cooperation Forum of ECOSOC which aims to be a global forum to share knowledge on trends and progress in international development cooperation, whereas the GPEDC brings a special perspective by focusing on relations between development actors and monitoring progress on the aid and development effectiveness principles. The GPEDC can provide added value to these other fora involved in implementation and follow up of the 2030 Agenda, if its work is strategically phased and tailored. In this way, the GPEDC would remain a relevant player in the new global development architecture and could contribute effectively to mainstreaming the principles of effective development cooperation in the Financing for Development follow-up, Development Cooperation Forum and also the High Level Political Forum discussions.

One of the areas where the GPEDC could bring a substantial contribution is accountability for development effectiveness geared towards the implementation of the SDGs. The monitoring framework it has built has proven useful in generating evidence-based dialogue on how to make development co-operation more effective, but it could be further strengthened and adjusted. Also, there is a lot of potential for the GPEDC to provide channels of cooperation with a wide range of actors beyond OECD donors.

Other areas where the GPEDC could make a difference identified by the Rapporteur include playing a leading role in ensuring progress on SGD 17 on a variety of issues and supporting country level implementation of Agenda 2030.

Advancing the development effectiveness agenda

On the EU side, important steps have been taken to increase transparency of aid, improve joint programming, address the issue of conflict and fragility, as well as measuring results. On the latter, the launching of the EU Results Framework in March 2015 represented a step forward towards enhancing accountability, transparency and visibility of EU aid.

Regarding joint programming in particular, now in place for more than half of the partner countries receiving EU development assistance, progress should be acknowledged. The European Parliament has, however, in its resolution of 13 December 2013 on EU donor coordination on development aid, formulated a number of recommendations to the Commission, among which a request to codify and strengthen the mechanisms for ensuring effective coordination of development aid with clear and enforceable rules for issues such as democratic ownership, alignment with country strategies and systems, predictability of funds and mutual accountability. In the view of the Rapporteur, it would be good to seek clarifications from the European Commission on steps taken to follow-up on Parliament's request, as many of these remain relevant for the EU to lead by example in this area.

Beyond these aspects, the Rapporteur would like to emphasize that more needs to be done, both at EU and global level, to increase the effectiveness of aid and development cooperation.

The report identifies a number of issues which could help advancing the development effectiveness agenda.

The EU and its Members States could, for instance, work on new initiatives to develop triangular cooperation projects, involving emerging donors and Middle Income Countries. The EU, including at Delegations level, and its Member states could be more pro-active and systematic in engaging national parliaments, local authorities, civil society and private actors on programming and financial commitments related to development assistance, by publishing country specific development cooperation reviews.

The Rapporteur would also like to stress that legitimate, inclusive governance, based on rule of law and respect for human rights in the developing countries is an indispensable element for development assistance to properly play its role in reducing poverty and improving the situation and prospects of people. SDG 16 is therefore of paramount importance for development effectiveness.

Further engagement of civil society and elected representatives in implementing the development effectiveness agenda should continue to be a priority. In particular, in keeping with the logic of democratic ownership, proper support should be given to recipient countries' parliaments to enable them to adopt national policies on development aid, build their capacities and improve domestic accountability.

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The EU, as world's biggest development aid donor, has a special responsibility to improve the effectiveness of and bring more accountability to EU assistance across the world. Beyond this, the EU should lead the global efforts for advancing the development effectiveness agenda and to see that transparency, good governance and rule of law in the developing world remain a central preoccupation.