BUSAN IN A NUTSHELL

What next for the Global Partnership for Effective Development Cooperation?

The Global Partnership for Effective Development Cooperation, established in Busan, South Korea in 2011, set the international standard on the principles of effective aid and good development to which all development actors should subscribe. These principles include: country leadership and ownership of development strategies; a focus on results that matter to the poor in developing countries; inclusive partnerships among development actors based on mutual trust; and transparency and accountability to one another.

All development stakeholders – including traditional donors and emerging providers – must respect and uphold these key principles by fulfilling the promises they made at Busan. For this to happen, the Global Partnership will need to rely on strong vision, high-level political engagement and a robust but flexible global accountability mechanism.
MILESTONES OF EFFECTIVE AID AND DEVELOPMENT COOPERATION

For decades, global development discussions predominantly revolved around the volume of aid given and received. But the 2002 Monterrey International Conference on Financing for Development broadened the focus of discussions to include the *quality* of the cooperation provided as a key determinant of progress. Both donors and recipients realized they needed to improve how aid was delivered to make it useful for beneficiaries. Oxfam has been actively involved in this debate, pushing for higher quality standards and aid that works for the people who need it most.¹

In the years that followed, three High Level Fora on Aid Effectiveness were convened by the Organization for Economic Cooperation and Development (OECD): in Rome (2003), in Paris (2005) and Accra (2008). Each forum marked a step forward. In Rome, donor and recipient countries were asked, for the first time, to focus their discussions exclusively on aid quality, with the result that they agreed to harmonize donor practices for improved performance.² However, this approach left the essential contribution of recipient countries to aid effectiveness out of the equation and raised concerns that even harmonized approaches might undermine country ownership.

The Paris forum acknowledged the need to include recipient governments in an ongoing dialogue on how to improve aid and shift the focus of the debate from effective donorship to effective partnership. Developing countries were invited to join the negotiating table on par with their cooperation providers.³ The *Paris Declaration on Aid Effectiveness*⁴ committed signatories to respect and implement five basic principles: harmonization of donor policies and practices; alignment to national development strategies; mutual accountability; a focus on measuring and delivering results for people; and ownership of development cooperation.

But, beyond making a list of good intentions, Paris also produced a clear scorecard to hold development partners accountable for what they were promising: a set of 12 indicators to measure progress in a number of crucial areas, such as the predictability of aid flows to developing country governments; the use of developing countries’ financial and administrative systems; and the transfer of technical capacity to local staff. Each indicator included targets and a deadline to achieve them by 2010. Partners also agreed to monitor their own progress towards the governance commitments they made. Aid effectiveness was finally gaining momentum in the global development scene.

The Accra Agenda for Action,⁵ agreed at the Accra forum in 2008, further refined the commitments agreed in Paris and engaged other key
development stakeholders, like civil society organizations (CSOs) and the private sector. It went a step further in crucial areas like medium-term predictability of aid, the use of country systems, transparency, gender-equality, and conditionality. For the first time, Accra recognized CSOs as development actors in their own right, even though they still could not access the negotiating table, and acknowledged their efforts in addressing the quality of their own performance. In turn, CSOs committed to translate these efforts into a set of principles and guidelines which would improve their own effectiveness in delivering cooperation services and promoting development. In Accra, donors and partner countries were also asked to create better conditions for CSOs to operate more efficiently on the ground and to reach more people in need of assistance.

Despite the ambitious agenda agreed in Paris and Accra, tangible results were slow to come. In survey after survey, results seemed harder to find on the donor side, often due to a lack of political will; developing countries seemed to be performing relatively better than their provider counterparts.

Meanwhile, the development landscape was changing rapidly. Outside of the traditional Western aid model, where decisions over the direction and purpose of aid were from the North to the South, developing countries were starting to experience the impact of years of cooperation with advanced Southern nations, such as China, India and Brazil. ‘South–South cooperation’ had remained largely unknown to OECD members, yet it was gaining in scale and influence at an unprecedented pace in a growing number of developing regions. Without the participation of Southern donors, discussions on the quality of development cooperation would soon become either outdated or irrelevant.

Likewise, some governments and observers, including CSOs, argued that the scope of the debate needed broadening from ‘aid effectiveness’ to ‘development effectiveness’, in order to capture how different factors at play in any given country – aid, but also foreign direct investment, trade regulations, debt relief, labour laws, etc. – affected each other and whether they actually fostered progress once taken together. Development effectiveness better reflected the goal of ‘policy coherence for development’, which both donors and recipients had been discussing for years.

Addressing these issues and taking stock of the progress made over the last decade dominated the fourth and final High Level Forum on Aid Effectiveness (also known as HLF4), held in Busan, South Korea in late 2011. The results of the Paris surveys and final evaluation were clear: disappointingly little progress had been made. Only one of the agreed 13 targets had been achieved: the way technical cooperation was coordinated – how donors worked together on the ground. On the whole, it was confirmed that recipient countries had performed better than donors on mutual commitments; they had tried harder to keep their part of the deal. CSOs had also kept their promise. By organizing themselves through the BetterAid platform and the Open Forum for CSO Development Effectiveness, they had held national and regional
consultations and arrived in Busan with an agreed set of Principles and an International Framework for CSO development effectiveness. At this point, some advocates and partner countries began to publicly question whether cooperation providers were really serious about fulfilling their Paris and Accra commitments. There was a need to revitalize the process and renew trust among all parties involved.

The HLF4 in Busan delivered on several of these challenges. It renewed the most critical commitments donors had made in Paris and Accra and focused attention on the need to keep their political engagement high. It broadened the scope of the talks by giving negotiating status to a diverse range of development stakeholders, including Southern providers, CSOs (represented by the BetterAid network), parliamentarians, and the private sector. It promoted fundamental development drivers, such as human rights, democratic ownership of development plans and activities, gender equality, and effective institutions. It recognized that the set of indicators developed in Paris had driven positive policy change and ensured accountability, but needed to be revised. Most importantly, the Busan forum created a new venue to carry the aid effectiveness conversation forward: the Global Partnership for Effective Development Cooperation, supported not just by the OECD, but also by the full UN system, especially the UN Development Programme (UNDP) and the UN Development Cooperation Forum (UNDCF).

Busan also promoted a number of voluntary initiatives called ‘Building Blocks’ with the aim of sharing best practices and showcasing successful examples of effective development under the leadership of developing countries. Eight Building Blocks were launched at HLF4; since then some have advanced more rapidly than others. However, they do not officially report to the Global Partnership and their future remains unclear.
WHAT WAS PROMISED IN BUSAN?

At the HLF4, traditional and new development stakeholders agreed to restructure development cooperation around four basic principles:

1. **Ownership of development priorities** – recognizing that developing countries must design and drive their own development;
2. **Focus on results** – aiming at concrete outcomes that eradicate poverty, reduce inequality and ensure that the necessary resources and capacity are available to take these steps forward;
3. **Inclusive partnerships** – promoting mutual learning and trust among different development actors;
4. **Transparency and accountability to each other** – building on transparent ways of working to improve service delivery and clarify mutual responsibilities.\(^{12}\)

The focus on ownership, results and accountability is directly derived from the Paris principles, while inclusive partnerships and transparency represent a new phase in the development cooperation debate. Each stakeholder agreed to turn these shared principles into specific actions according to a set of ‘differential commitments’. Specifically, donors who had endorsed the Paris and Accra agreements renewed their pledge to implement them in full, while Southern providers – some of them still receiving aid from OECD/DAC\(^{13}\) members – were willing to adhere to new commitments on a voluntary basis. Busan, therefore, created a two-tier approach to development cooperation: one for traditional donors with a so-called ‘unfinished aid agenda’\(^{14}\) and another for emerging donors to be implemented on a discretionary basis. This was a less than ideal compromise to engage emerging donors without losing a decade of aid effectiveness work.\(^{15}\) At the same time, it was clear that not all South–South cooperation providers would move at the same speed and that some of them might be more proactive than others.

The outcomes from the Busan forum also sanctioned a ‘global light, country-focused’ approach whereby development cooperation would be based on the needs and priorities of developing countries and would be supported by a lean global structure (the Global Partnership) and monitoring framework. While this shift was introduced to reduce cumbersome global bureaucracies, it also allowed donors to renegotiate the terms of their own accountability, despite the fact that most developing countries were in favour of keeping the existing Paris framework to continue driving long-term policy change.

In terms of specific commitments, the final Busan declaration\(^{16}\) made good progress on transparency, calling for the adoption of a common, open standard for the publication of aid data, which builds on the International Aid Transparency Initiative (IATI), among other agreements. The final declaration also affirmed that donors must use the financial and administrative systems of developing countries as the default mechanism for aid delivery. In addition, it committed providers to use country-led
roadmaps to deliver development results; welcomed the recently agreed peace- and state-building goals in fragile or conflict-affected countries; called for the integration of gender equality into national development strategies and for policies to be informed by sex-disaggregated data; supported the role of national parliaments and local governments in ensuring democratic ownership through the provision of adequate resources and action plans; and confirmed governments’ commitment to creating a favourable, enabling environment for CSOs as independent development actors, in line with international rights agreements.

In contrast, little progress was made in other areas, such as reducing the burdens imposed on aid recipients by a lack of predictability in medium-term aid and the proliferation of aid channels. Here, development stakeholders only agreed to produce a set of guidelines to reduce the fragmentation of multilateral funding by the end of 2012. They committed to make greater use of coordination processes led by developing countries by 2013. No further steps were made on the use of ‘untied’ aid, beyond a commitment to make progress with no specific deadline attached.

There were two major issues which could not be resolved in Busan: the governance of the new Global Partnership and a specific framework that would allow commitments made in Busan to be monitored. The deadline for finalizing these discussions was set as June 2012, with multi-stakeholder negotiations, led by the OECD, starting soon after Busan.

Four functions were identified for the Global Partnership:

1. Maintaining and strengthening political momentum for more effective development cooperation;
2. Ensuring accountability for implementing the Busan commitments;
3. Facilitating knowledge exchange and sharing lessons learned;
4. Supporting implementation of the Busan commitments at country level.

To guarantee an agile management of these functions, negotiators agreed the Global Partnership would rely on a Steering Committee made up of 18 constituency representatives. Of these, three would be co-Chairs representing cooperation providers, providers who are also still recipients (mostly Southern donors), and recipient governments. In the spirit of diversity, CSOs would also get a seat alongside donors, developing countries, parliamentarians, and the private sector. This step confirmed the landmark inclusion of non-government stakeholders as peer members of the partnership, as already envisaged in Busan.

Agreeing a global monitoring framework proved challenging, but a shortlist of ten indicators for measuring progress on results-based frameworks was established: the presence of a CSO-enabling environment; the role of the private sector in development; transparency; aid predictability; parliamentary scrutiny of aid budgets; mutual accountability; gender equality; quality and use of country systems; and untied aid. Each area had specific targets to be monitored on an ongoing basis, with periodic progress reports and a more comprehensive review scheduled for late 2015/early 2016 to fit within
the broader international discussions on the future of the Millennium Development Goals (MDGs). The table below summarizes the main HLF4 commitments, as measured by the newly agreed indicators.

**HLF4 commitments and related global indicators**

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Indicator</th>
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<tr>
<td>1 Development cooperation will be focused on <strong>results</strong> that meet developing countries’ priorities</td>
<td>Extent of use of country results frameworks by cooperation providers (specific criteria to be finalized)</td>
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<tr>
<td>2 <strong>Civil society</strong> will operate within an environment which maximises its engagement in and contribution to development</td>
<td>Enabling Environment Index</td>
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<td>3 Engagement and contribution of the <strong>private sector</strong> to development</td>
<td>The measure for this commitment has yet to be identified</td>
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<td>4 <strong>Transparency</strong>: information on development cooperation will be made publicly available</td>
<td>Measure the state of implementation of the common standard by cooperation providers</td>
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<td>5 Development cooperation will be made more <strong>predictable</strong></td>
<td>Annual: proportion of aid disbursed within the fiscal year within which it was scheduled by cooperation providers; Medium-term: proportion of aid covered by indicative forward spending plans provided at the country level</td>
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<td>6 Aid will be listed in budgets which are subject to <strong>parliamentary scrutiny</strong></td>
<td>Percentage of aid scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries</td>
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<tr>
<td>7 <strong>Mutual accountability</strong> among development cooperation actors will be strengthened through inclusive reviews</td>
<td>Percentage of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments</td>
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<tr>
<td>8 <strong>Gender equality</strong> and women’s empowerment will be incorporated into development plans</td>
<td>Percentage of countries with systems that track and make public allocations for gender equality and women’s empowerment</td>
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<td>9 Effective institutions: developing countries’ systems will be strengthened and used</td>
<td>(a) Quality of developing country public financial management (PFM) systems; and (b) Use of country PFM and procurement systems</td>
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<tr>
<td>10 Aid will be <strong>untied</strong></td>
<td>Percentage of aid that is fully untied</td>
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Based on OECD sources (July 2012)

Governance and monitoring proposals were finally approved at the end of June 2012 together with a common, open standard for transparency. Some of the endorsed indicators still require fine-tuning, which will happen by the end of 2012. Meanwhile, non-government stakeholders in the Global Partnership have raised concerns that the Steering Committee membership is too weighted towards governments, undermining the multi-stakeholder character of the Global Partnership. The strong emphasis given to the role of emerging donors and the private sector, despite their modest interest in the discussion, also raises doubts regarding the ‘equal’ negotiating status granted to the other members. It is expected the Steering Committee will consider this issue at its first meeting in autumn 2012.
WHAT SHOULD HAPPEN NEXT?

Priority issues for discussion at the first meeting of the Steering Committee should be:

a) Providing strategic direction to the joint support team on refining the global monitoring framework;
b) Proposing an agenda for the first ministerial-level meeting in 2013;
c) Suggesting a roadmap and pointing to the analysis needed to address the main challenges awaiting the Global Partnership over the next few years.

The OECD and UNDP should ensure that the joint support team is in place to carry out its secretariat functions efficiently. In the long run, it will be crucial to clarify the specific roles and responsibilities of the OECD and UNDP in ensuring proper accountability at country and global level.

Fine-tuning the global monitoring framework by the end of 2012 is an urgent priority and a primary challenge for the Global Partnership whose credibility will depend on how much development stakeholders are held accountable for implementing their Busan commitments. Research shows that global monitoring standards heavily influence the negotiation of country-level accountability frameworks and have a big impact on the performance of development stakeholders in-country.23 The Steering Committee has a strategic role to play in ensuring that the set of indicators that was endorsed in June is applied to traditional donors and gradually extended to other HLF4 stakeholders.

RECOMMENDATIONS

In finalizing the global monitoring framework Oxfam recommends that the Steering Committee:

- Rely on inclusive frameworks that deliver the results which matter most to the poor, rather than to their donors (Indicator 1);
- Take into account the different social, economic, cultural, political and legal factors at play in creating a CSO-enabling environment (Indicator 2),24
- Consider strategies and policies that promote sustainable enterprises and high-quality jobs for the poorest parts of the population (Indicator 3). Oxfam recommends engaging in a conversation with representatives from the domestic private sector and trade unions at country level to gather their insights;
- Support the implementation of a common, open transparency standard by ensuring that cooperation providers meet an intermediate target of publishing aid data by December 2013 (Indicator 4);
• Assess gender results, not only in terms of how developing countries measure associated budget allocations, but also how well they integrate women’s rights across their national development strategies (Indicator 8).

The Steering Committee must propose a concrete plan for periodic progress reports and reviews of global indicators and methodology, including the possibility of extending the monitoring to other crucial areas, such as aid fragmentation and programme-based approaches.25

For their part, Southern providers and the private sector:
• Should either respect the new global monitoring framework or take concrete steps to show how they plan to monitor their own performance within a reasonable timeframe. They should build on the foundations of the agreements made in Paris and Accra.
• Must live up to the challenge of putting an effective accountability mechanism in place as development actors, at both a global and country level. The Building Blocks on South-South Cooperation and Public-Private Partnerships could provide valuable guidelines and lessons learned, but only if there are clear reporting mechanisms between those initiatives and the Global Partnership, and if these guidelines are in line with the principles of ownership, results-focused development, inclusive partnership, transparency, and accountability, as endorsed in Busan.

Another key challenge will be to maintain the high-level political engagement required to keep the focus on development effectiveness. To do so, the Steering Committee must reach out to its constituencies and make sure that they participate fully in future work. The co-Chairs should ensure that all voices within such a diverse membership are heard. By doing this the Global Partnership will represent a truly innovative way of improving development cooperation, through inclusive dialogue and exchange. This step must include listening to the concerns of CSOs, as well as integrating the views of Southern providers and the private sector, without backtracking on a decade of aid effectiveness work.

The Steering Committee must show the real added value of the Global Partnership to the development cooperation landscape. This will mean identifying links with other key international processes where there is an opportunity for the Global Partnership to make a difference and avoid duplicating efforts. For example, the Global Partnership should feed into the discussions on the post-2015 MDGs and the Sustainable Development Goals, to push for a broader definition of the eighth MDG on the Global Partnership for Development that includes qualitative, as well as quantitative, targets.26

For civil society a challenge in the coming months will be to ensure that it fully engages in the Steering Committee through a new representative body called the CSO Partnership for Development Effectiveness, which is currently being created through collaboration between BetterAid and the Open Forum for CSO Development Effectiveness. The CSO Partnership will contribute to strengthening the voices of citizens and civil society within the Global Partnership.
CONCLUSION

The Global Partnership for Effective Development Cooperation, agreed at the HLF4 in Busan, marks a new chapter in the history of international cooperation, shifting the focus from aid effectiveness to the broader concept of development effectiveness. By reaching out to a diverse range of development stakeholders – Northern and Southern donor governments, the private sector, CSOs, parliamentarians, local authorities, etc. – Busan has provided a more realistic framework to improve the way cooperation is implemented on the ground and how it works with other development drivers. Ensuring that every Busan stakeholder is held accountable for its commitments will be essential to determining the success of the Global Partnership, starting at the global level to build robust country-level accountability mechanisms. Core goals for the Global Partnership in the years ahead must be to finalize solid global monitoring tools, maintain political momentum, and identify the added value of its future work both for development cooperation and, fundamentally, for the billions of people living in poverty and injustice around the world.
Members of the International Dialogue commit to a) use the peacebuilding and statebuilding Goals; b) focus on new ways of engaging with fragile states, including by supporting inclusive and participatory political dialogue; and c) build mutual trust through aid and improved resource management. For more information, see: ‘A New Deal for Engagement in Fragile States’, http://www.oecd.org/international\%20dialogue/anewdealforengagementinfragilestates.htm
Funding, or aid, fragmentation refers to a common pattern by which an excessive number of donors provides relatively small amounts of aid. Each donor tends to follow its own procedures and priorities, often targeting the same countries, which are not always able to cope with multiple reporting deadlines and requirements.

Aid that is not conditional on the equipment or services being directly provided by the donor’s country.

CSOs continued to actively contribute to the post-Busan discussions as official, independent negotiators. They were represented by the co-Chairs of BetterAid.

The Steering Committee would meet every 6-12 months (or more often if necessary), while the full membership of the Global Partnership would convene every 18 to 24 months at ministerial level. To support the day-to-day functioning of the Global Partnership, the OECD and UNDP would form a ‘joint support team’ providing lean secretariat functions – that is, without creating a whole new structure which would go against the global light, country focused approach embraced in Busan.

Specifically, Indicator 1 on results-based frameworks; Indicator 2 on CSO enabling environment; Indicator 3 on the role of the private sector; Indicator 4 on transparency; and Indicator 8 on gender equality.


The global civil society network CIVICUS is providing technical support in finalizing this indicator, based on its own Civil Society Index (CSI). For more information see https://www.civicus.org/what-we-do-126/cross-cutting-projects/csi

Programme-based approaches (PBAs) are a way of providing cooperation through coordinated support for a local development program or national development strategy. The official definition of PBAs in included in the Paris Declaration.

The eighth MDG agreed by the UN in 2000 aims to develop a Global Partnership for Development by 2015. It includes six targets: 1) Develop further an open, rule-based, predictable, non-discriminatory trading and financial system 2) Address the special needs of least developed countries 3) Address the special needs of landlocked countries and small island developing states 4) Deal comprehensively with developing countries’ debt 5) In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries 6) In cooperation with the private sector, make available benefits of new technologies, especially ICTs. For more information see http://www.un.org/millenniumgoals/global.shtml

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