

## Effective Development Cooperation: How can the European Union contribute?

**Policies show that the EU and Member States remain committed to the effectiveness principles, while the latest Global Monitoring Round reveals declining performance. Why and how can we turn things around?**

**Increasing the effectiveness of development cooperation is fundamentally about delivering more and better impact.** When our support is in line with our partner countries' own efforts, when it is delivered through their institutional systems, in support of priorities that have been agreed through inclusive and equitable policy processes, the impact is bigger and more sustainable.

Effectiveness delivers immediate benefits by bringing existing actors and resources together behind a common purpose - reducing duplication and incoherence and better answering needs. In the longer-term, effectiveness strengthens our partners' own capacities by using their institutions and supporting their national policy-making processes. This reduces dependency and sustains the positive impact of our current assistance – and it will also improve the value of future EU support.

The Busan Principles on ownership, results, inclusiveness and transparency and accountability (see box), that the EU and the Member States signed up to in 2011, are there to help us build this type of development cooperation. The Global Partnership for Effective Development Cooperation (GPEDC)<sup>1</sup> is responsible for monitoring how well providers and recipients of development cooperation implement the effectiveness principles. Its bi-annual Global Monitoring Rounds feed data into the GPEDC Global Monitoring Reports.

DEVCO commissioned the study, *Effective Development Cooperation: Does the EU deliver?* which uses the data collected for the GPEDC's 2019 Monitoring Report to look at the performance of the EU and its Member States.



**The data shows weakening EU performance overall.** The study finds that since 2016 collective EU performance has stagnated or deteriorated on alignment with partner countries' development priorities and the use of partner country systems for implementing and reporting on development programmes.











**The EU is not an outlier in this.** A similar weakening trend is evident across most bilateral donors. The EU and Member States collectively perform above the average of OECD-DAC donors on ownership, alignment and results and remain below average on predictability and on the use of country systems.

**The EU and Member States are not acting as one.** The data shows that there is little consistency of behaviour across the different European donors. Within the EU group, DEVCO and other EU Institutions do somewhat

<sup>1</sup> The GPEDC is a multi-stakeholder platform involving governments, bilateral and multilateral organizations, civil society, the private sector and representatives from parliaments and trade unions. It was established in 2012 following the Busan High Level Forum on Aid Effectiveness with the mission to *maximize the effectiveness of all forms of co-operation for development for the shared benefits of people, planet, prosperity and peace.*

better than the Member States as a group, on ownership, alignment, results, medium-term predictability and use of country systems.

## EU Performance

	Alignment	Predictability			Country Systems	Untying
		Annual	Medium	On Budget		
EU Collective						75%
						25%
EU Institutions						75%
						25%

### What is behind the weakening EU performance?

The study team interviewed EU and Member State officials to identify the causes of the weak performance on effectiveness that has been evident, despite a continuous commitment to the Busan Principles in EU and Member State policies.

**Donors now deliver more of their assistance outside of Government-to-Government partnerships.** The policies on effectiveness have remained consistent, but other things have changed. After the economic crisis, many Member States reduced their development budgets and had a more rigorous oversight of aid budgets and a reduced appetite for risk. This has led to a significant shift away from delivering development aid through partner country governments and public sectors in favour of delivery through multilaterals, NGOs and the private sector.

**EU policy priorities have gained importance and influence over development cooperation.** The political demand for development cooperation to support and deliver on policy priorities such as climate change, trade and investment, migration and global health has sidelined effectiveness considerations. The report recommends that we need to address these legitimate policy priorities in ways that promote development effectiveness.

**Increasing conflicts, fragility and inequality have led to a shift of aid away from state systems.** The growing proportion of EU ODA targeting fragile and conflict affected countries, where governance failures are endemic, have led European donors to provide less direct aid to Governments and, instead, to channel their assistance through international organisations and NGOs. More generally, concerns around weak partner country management of public finances and about corruption, coupled with growing inequality, have reduced faith in partner country policies and systems and led donors to seek alternative channels to deliver their assistance to those most in need.

**The Busan principles and the monitoring system are not adequate for the complex real in-country contexts.** Development effectiveness as a concept suffers a reputation of being a rigid, top down approach based on compliance, instead of impact and results. The principles remain valid, but their interpretation through the monitoring system has not kept pace with the complex and changing contexts at country level. As an example, efforts to support democratic ownership and inclusion that build essential non-state national capacities may well result in weaker performance on alignment or the use of country systems.

### Now what?

**Effectiveness enables us to do more with the resources we have.** With only a decade to deliver the SDGs - and facing a resource gap that will grow with the impact of the Covid 19 pandemic – effectiveness enables us to achieve better and more sustainable impact. The pandemic highlights the importance of effectiveness. It will be critical in partner countries to co-ordinate the multiple actors into delivering a coherent response that targets the most vulnerable and builds systems and capacities that can effectively prevent and respond to recurrences of pandemic threats. We must take the opportunity that development effectiveness offers, but this requires change – business as usual will not work. We need to rethink effectiveness, to make it more relevant to the complex and contested development contexts in partner countries and we must take care to address EU policy concerns in ways that are coherent with effective development cooperation.

### Four key areas of change.

We need to develop practical approaches on how the effectiveness principles can be implemented in ODA delivered through multilaterals, international NGOs, civil society and private sector, and adapt the GPEDC monitoring system to recognise, assess and encourage the effectiveness of these types of ODA partnerships.

We need to further unpack and describe the effectiveness concepts of ownership, alignment and inclusiveness, and the linkages between them. We need to update the ways in which we support and measure them to ensure that our efforts on each are complementary and mutually supportive.

We also need to make sure that the way we, in Europe, pursue new policy priorities such as climate change, trade and investment, migration and global health, promotes development effectiveness.

In fragile and conflict affected contexts, we must recognise that development cooperation should always underpin inclusive and equitable development processes in our partner countries – that is what effectiveness means. Where fragility, conflict and governance failures mean that these processes do not exist, we must have approaches that seek to build them even as we focus on meeting critical and immediate needs.

### The role of the EU.

Effective development cooperation can only be truly effective if all development actors collaborate. When others do not respect and implement the effectiveness principles in their cooperation programmes, the resulting fragmentation and undermining of partner country systems and capacity reduces the impact of EU assistance and that of others. Therefore, the EU needs to strengthen the effectiveness of its own cooperation and to pro-actively encourage others to do likewise.

Team Europe, joint programming and joint implementation, lead to the EU and Member States acting as one in partner countries, ensuring that EU cooperation is delivered consistently and coherently, and in line with our principles – including those of effectiveness.

At global level, the EU plays a strategic role in the GPEDC, the OECD-DAC and the governance structures of the international financing institutions to further strengthen the effectiveness principles and encourage the adherence to them by all forms of development cooperation, including that provided by OECD-DAC members, multilateral organisations, providers of south-south cooperation, NGOs and foundations.

The EU and its Member States, acting together can be a key player driving the effectiveness of development cooperation and maximising the contribution of international partnerships to the delivery of the 2030 Agenda and the achievement of the Sustainable Development Goals.