

29 May 2017

**Europe should rise above its own development agenda
Statement on the EU Consensus on Development**

The CSO Partnership for Development Effectiveness (CPDE) welcomes the recently adopted EU Consensus on Development's acknowledgment of effective development cooperation principles of transparency, mutual accountability, focus on results, and country ownership. We also acknowledge the importance it gave to poverty elimination, respect for the principles of the United Nations Charter and international law including human rights, political dialogue and gender equality. CPDE also recognises EU's commitment to mobilise 0.7% of Gross National Income as Official Development Assistance (ODA). The Consensus' policy directions; however, appear to run contrary to the achievement of UN 2030 Agenda for Sustainable Development (Agenda 2030), reducing all these to mere rhetoric.

It is commendable that in particular development challenges, EU recognizes the need for integrated, holistic and rights-based approaches but it does not do so on the issues of migration and conflicts in fragile states. By stating that "In the context of development cooperation, the EU and its Member States can also engage with security actors to build their capacity for ensuring sustainable development objectives, in particular the achievement of peaceful and inclusive societies"¹, it backtracks to EU Consensus in 2005 of a security-based solution ranging from military education to counter-terror activities.

Further, the Consensus' statement that EU members must "contribute to Security Sector Reform" that will lead to the "establishment of effective democratic control and accountability, improvements to human security, sustainable development and poverty eradication"² invites the use of ODA to solve its internal security and migration concerns. CPDE believes that development policy and cooperation should be directed at rectifying the underlying causes of migration. The security approach on migration, often formulated as "safe, orderly, regular and responsible migration and mobility of people"³ does not provide a sustainable solution and must be transformed to a security-based and remittance-driven, to one based on human and labor rights. Further, the EU should also take into account the impacts of their neoliberal policies in developing countries that contribute to social tensions and migration, both regular and irregular⁴.

The Consensus also creates the basis for using ODA to solve EU's own economic challenges rather than the eradication of poverty in developing countries. Experiences on transfer of knowledge, expertise, and capacity-building have paved the way for tied aid which require recipient countries to procure consultants and materials for infrastructure projects from companies originating from donor-countries⁵. In the context of focus given to projects requiring massive infrastructure including "sustainable agriculture, safe and clean energy, integrated water resource management, resilient infrastructure, health, sustainable tourism, green and circular economy, telecommunications and digital technology"⁶, CPDE proposes that the EU must heed the DAC Recommendation to Untie Development Assistance and consistently report on untying of aid. While infrastructure development could lead to economic growth, there is little evidence that mega infrastructure projects does contribute directly to poverty reduction⁷ EU should invest directly on social services that impact

¹ Paragraph 66, European Development Consensus

² Paragraph 67, European Development Consensus

³ Paragraph 39, European Development Consensus

⁴ Migration, Diasporas And Development Cooperation. Asia Pacific Mission for Migrants, August 2016

⁵ Technical Cooperation as an Aid Modality: Demand-led or Donor-driven? The Reality of Aid, 2016.

⁶ Paragraph 53, EU Development Consensus

⁷ Infrastructure and poverty reduction: Implications for urban development in Nigeria. Working paper, World Institute for Development Economics Research, No. 2010,43. The results of this study reveal that there is a negative relationship between infrastructural investment and poverty. It also suggests that investment in infrastructure in general reduces

vulnerable and marginalized populations. EU must ensure that ODA for massive infrastructure projects are accompanied by effective transparency and accountability mechanisms to account for affected groups, destroyed ecosystems, corruption and indebtedness. These measures shall demonstrate EU's accountability and commitment to poverty eradication.

Instead of resonating global consensus for an *accountable* private sector, the Consensus refers to a *responsible* private sector without: (1) clear criteria by which to assess private sector interventions in development; (2) mechanisms by which to hold them accountable for the negative social, environmental, and economic impacts of their interventions; and (3) measures to enforce transparency. This leaves the door open for potential abuse of the environment, human rights violations, and indebtedness.

The unrestrained promotion of blended finance poses threats to the achievement of Agenda 2030 and should be assessed against the genuine spirit of development effectiveness. The EU should be transparent in reporting blended finance to make sure that ODA is not used to subsidise private sector or cover risks that it would not shoulder.⁸ While those in private sector can be actors in development, the increased indebtedness and inaccessibility of basic public services rather than increased and equal access for all people after private sector intervention as evaluated in basic social services such as water⁹, education¹⁰, and health¹¹ in developing countries.

The Consensus sees political dialogue as an important value in advancing development principles, yet, there is very limited application of the principle of mutual accountability, a principle of development effectiveness binding powerful stakeholders to be subject to common rules of behaviour and feedback from its citizens. Mere pledges to "support" civil society and "promote" spaces for participation is a regression when development actors including donor-countries have already committed to ensure that these are established down to the country level in the Busan Partnership Agreement.¹² There was no mention of institutionalised mechanisms to ensure CSOs engagement in development processes nor did it commit to break down restrictive laws and practices that hinder the full operation of CSOs. In the period of shrinking civic spaces, an enabling environment for CSOs is vital for their meaningful participation in political dialogues that is part of development processes. CPDE would welcome strong leadership from the EU in this regard.

CPDE opposes the backtracking among donor countries in the pledges they made on development cooperation, especially on achieving the Agenda 2030. EU should also be cautious in using ODA as leverage to developing countries for its own economic, security and migration management challenges. Ultimately, CPDE asserts that EU development policy should serve the goals of sustainable development and not be limited by its domestic interests if we are to truly make progress towards achieving the long-term vision of poverty elimination, human rights and the SDGs .

poverty, investment in social infrastructure exerts a greater effect as a poverty reduction strategy relative to physical infrastructure investment

⁸ A dangerous blend? The EU's agenda to 'blend' public development finance with private finance. European Network on Debt and Development, November 2013

⁹ Remunicipalisation, Putting Water Back into Public Hands. Satoko, Kishimoto, Transnational Institute. March 2013

¹⁰ Report of the Special Rapporteur on the right to education, Kishore Singh. 'Protecting the right to education against commercialization' United Nations, 2015

¹¹ The Private Sector and Health Services Delivery in the EAP Region: Background Report to UNICEF on the Role and Experiences of the Private Sector in Provision of Child Health Services

¹² Paragraph 88, EU Development Consensus