

Development Cooperation: A Civil Society view on a changing sector

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The Portuguese Presidency of the Council of the EU takes place at an important time for the future of development cooperation. In addition to the consequences of the Covid-19 pandemic, the EU had already begun a formal reform process of its approach to the sector since the current European Commission took over. During the announcement of the college of commissioners, Ursula von der Leyen called on Jutta Urpilainen, appointed for the International Partnerships portfolio (succeeding the former Commissioner in charge of International Cooperation and Development), to consider the importance of EU action in this area contributing “to our wider political priorities”.

The emergence of new development actors such as China and India, and the profound changes in the UK or the USA have contributed to the reorganization of the international arena, in a process of transformation with important consequences for how development policies are defined. We live in a complex world where cooperation is increasingly used as some other form of pursuing foreign policy goals, and where the concern to focus policies on people’s needs putting them at the core of the development process is often overlooked. The selection of the targets of policies and the evolution of global challenges - such as climate change and socioeconomic inequalities - should not be seen separately, for one thing the complexity of contemporary global dynamics show is that problems are multidimensional, unpredictable, and have worldwide impacts, and, therefore, solutions must be found on a global scale that consider multiple factors and their interconnection.

The critical moment we are currently facing in responding to the consequences of the pandemic makes the debate on redefining the EU’s priorities quite inevitable. The need to build resilient systems capable of maintaining the cohesion of society in difficult circumstances such as the one we are experiencing is now more consensual, and the social dimension assumed as a top priority by the Portuguese Presidency highlights that fact. The concern to “promote the inclusion of the social dimension across the board in the formulation of EU economic, industrial and digital policies and in the implementation of the national recovery and resilience plans” opens the door for important discussions about the elements we will have to consider to promote a fair and sustainable recovery in the face of the covid crisis. This should also be the case on the discussion about the future of development cooperation, where the EU must reinforce a people-centered approach.

Hence, this is a discussion about the future of the sector. To move forward in the search for solutions, it is key that we are able to set up a broad debate that considers the various issues at stake in a comprehensive way and that mobilizes all the stakeholders that play a role in the sector. This paper is the outcome of a process in which dozens of organizations (Portuguese, European, African and from other regions) have participated and which sought to collect contributions that could feed the debate on the future of development cooperation policies and the EU’s role.

Carved into three sections, this document was drafted during a process conducted by the Portuguese NGDO Platform under the Presidency Project - “[Towards an open, fair and sustainable Europe in the world](#)”. During January and February 2021, there were several discussions in which 70 Civil Society Organizations from different parts of the planet participated that allowed for collecting contributions, followed by a coordination meeting with the Platform Members. As the outcome of an overarching process, we expect that the paper is a useful contribution to the consolidation of inclusion, democracy, and participation as core values in building future solutions.

Sustainable development: the importance of an integrated, coherent, and people-centered approach

The complexity that dominates the world poses serious consequences for decision-making processes and for building solutions to the challenges we face. The crafting of the 2030 Agenda acknowledged this complexity and its importance in setting a roadmap for sustainable development. By formulating a set of 17 “integrated and indivisible” Sustainable Development Goals, the 2030 Agenda established a clear link between the various dimensions that contribute to development: social, economic and environmental. At the core of this vision is the idea that, to leave no one behind, it is paramount to consider the web of interdependencies that define global dynamics, and on which development itself relies. To enter the path for sustainability, it is necessary to adopt an integrated, coherent, and people-centered approach.

To make this possible, none of these aspects can be neglected in finding solutions to global challenges. Today’s complexity is felt at different levels: from the interdependence between countries to the consequences that actions in each sector have in others. The pursuit of an integrated and coherent approach is therefore no more than the consideration of the multiple factors that play a role in building responses that aim to achieve the status of solutions, and the establishment of synergies to do that. Asserting the principles enshrined in the 2030 Agenda as guidance for the definition of development cooperation policies is, therefore, key to ensure that an eminently economic approach is not prioritized at the expense of people's needs and the limits of the planet. Above all, it is important to acknowledge the implications of persisting challenges in terms of Human Development - namely in the access to basic goods such as health, education, housing, energy, food and nutrition and WASH -, the impact of hegemonic economic models on climate degradation, the importance of the creation and fair distribution of wealth and the strengthening of Democracy, Human Rights, and the Rule of Law.

This is a necessary discussion considering the transformations we have been witnessing - and which, to a large extent, go beyond what development cooperation policies can address. The post WW II global governance model is currently undergoing a reorganization process that the covid crises seems to be accelerating. These changes have an impact on development cooperation and have, in recent years, intensified the debate on new understandings and configurations of the sector. It was against this background that, in the reflection process promoted by the Portuguese NGDO Platform, there was a strong agreement in considering the importance of reasserting goals such as the fight against poverty and inequalities in development policies through an approach anchored in the principles enshrined in the 2030 Agenda and the Policy Coherence for Sustainable Development (PCSD) agenda.

This is a particularly important aspect, as phenomena such as structural imbalances (between and within countries) in access to resources, rights, and social services, and even participation in political decision-making processes continue to raise barriers to significant chunks of the population. As a global actor, it is up to the EU to ensure that the answers found to face global challenges are accompanied by actions that address these types of harmful dynamics that have been continuously perpetuated over the past decades. Since, although global in scope, the most pressing problems facing us assume different degrees of complexity depending on the regions and the socioeconomic condition of the people who inhabit them, it is key to focus structural, fair, and sustainable responses. An example of such is the case of climate change, which impacts have been, generally, more

significant in countries (from the Global South) that less contribute to global emissions of greenhouse gases, but where development efforts are most threatened by them. In this sense, the necessary transformations invariably depend on the combination of the environmental issue with the social and economic dimensions.

Thus, acknowledging the centrality of the fight against poverty and inequalities in building development cooperation policies is a fundamental aspect. As it plays an important role in shaping the global cooperation agenda, it is up to the EU to put people at the center of its development policies. To this, based on the discussions on the implications of global trends in the definition of development cooperation policies, this document seeks to highlight the aspects that, from Civil Society's perspective, should be considered in debates about the future of the sector. As a collective endeavor depending on multiple factors, conducting inclusive processes allows for richer discussions that, ultimately, improve the quality of decisions.

- All EU policies (both internal and external) must be based on an integrated, coherent and people-centered approach and must be oriented towards responding to the crisis and the needs of people, in order to reinforce its commitment in the fight against poverty and inequalities worldwide;
- In view of the consequences of the pandemic, the EU must acknowledge the importance of investing in Human Development in order to prevent the deepening of inequalities between and within countries, and invest in key sectors such as Education and Health;
- The cross-sectorial articulation between the various types of EU policies must be an absolute priority for the EU to guarantee Policy Coherence for Sustainable Development.

The importance of genuine partnerships in promoting Democracy, Human Rights and Sustainable Development

The idea that we live in a world where the complexity of global dynamics has been increasing implies that we acknowledge the importance that comprehensive, inclusive, and participatory discussions represent for building sustainable solutions. Both the Busan Partnership for Effective Development Cooperation and the 2030 Agenda emphasize the need to include all interested parties in structured partnerships that contribute to enhance their contributions to the pursuit of common goals. In the transition period to the current executive, the European Commission has highlighted this aspect and engaged in a process of reorganizing its Development Cooperation structures based on an International Partnerships approach. It is now key that the commitment to establish partnerships of equals moves ahead through clear policies and concrete actions that allow these to really become genuine.

Adopting a coherent and integrated approach to development policies also involves mobilizing and including all actors. This implies, firstly, acknowledging that the process of defining European policies cannot happen without the contribution of partner countries, especially of Civil Society, in identifying the needs that need to be addressed. In addition to that, and in view of an international arena that is quite different today from the one where development cooperation policies were initially devised - with

growing skepticism about the leadership of the Global North and Development models -, it is important to invest in innovative formats of cooperation that allow to go beyond the donor/recipient perspective.

In a context where multilateralism must be reinforced, there is an urgent need to guarantee justice and equal representation in global governance bodies to countries and organizations that historically have not had access to international decision-making centers. It is necessary, more than ever, to create mechanisms for equitable and fair distribution of power in global governance and to counter the existing asymmetry between the North and the Global South. South-South Cooperation and Triangular Cooperation are considered promising methodologies in response to this questioning, as, in theory, they open the door to a greater involvement of Global South countries in the process of defining priorities. To fulfil the potential that these new configurations have for a more equal distribution of power compared to forums dominated by donor countries - namely, for example, the OECD -, it is key to ensure that their operationalization is strongly committed to advancing debates around development effectiveness.

In fact, acknowledging the importance of power balance in the relationship with partner countries is a key factor for the EU's ambition to establish partnerships of equals with them. To ensure that the principle of ownership is fully implemented, it is paramount to understand dialogue with country authorities as a key mechanism for the establishment of genuine and consequent partnerships. However, the democratic dimension of such processes also depends on several other factors, such as the inclusion of local civil society - which must be a constant concern. Breaking down the barriers that often prevent civil society in partner countries from becoming more involved in the priority-setting dialogue also depends on the EU and is key for the protection of human rights, among other issues. A survey recently conducted by the German NGO Platform - VENRO¹ in the context of EU-Africa relations suggests that there is considerable space for improving actions that allow, not only to broaden the dialogue with Civil Society, but also to better its quality. Only by stimulating a greater mobilization of local actors and the transparency of the processes will it be possible to ensure its democracy and, consequently, the truthfulness and effectiveness of the partnerships built.

The programming process of the NDICI was an important step forward in this regard by including consultation with authorities and civil society in partner countries through EU delegations. However, it is necessary that this approach prevents the contributions received over the past few months from having a lower status compared to the priorities defined by the EU.

To the extent that all this depends on the capacity to produce meaningful contributions, it is also important to invest in the reinforcement of the dialogue mechanisms with local Civil Society and in the greater mobilization of the actors for the discussions about the ongoing processes. Bearing in mind that, due to several factors, the integration of local civil society in these discussions has not been fully achieved, there is still a lot of work to be done. The concern shown by the Organizations involved in the discussions that resulted in this paper in guaranteeing an enabling environment for Civil Society reinforces, from the Platform's point of view, the idea that genuine partnerships cannot be reached without a clear focus in their involvement as actors firmly committed to the deepening of Democracy and the protection of Human Rights. Thus, civil society plays an important role in ensuring that the

¹ <https://presidency.concordeurope.org/africa-europe-civil-society-survey-closer-cooperation-absolutely-necessary/>

EU is able to effectively build partnerships with partner countries that are not only genuine, but also democratic and people-centered.

Finding robust solutions to global challenges requires considering different perspectives, seeking to combine them around a truly global endeavor. Prioritising processes committed to this type of approach is therefore an important contribution to fulfilling EU's strategy. At a time filled with hard challenges for our collective future, enhancing the diversity of the different actors present on the field around the establishment of genuine partnerships is a key element for the promotion of sustainable development and is at the core of the 2030 Agenda.

- To ensure that the sector is mobilized around common goals, the EU must invest in building genuine partnerships which will foster a culture of dialogue and enhance the contribution of each of them to sustainable development. In this context, co-building strategies and the definition of common agendas with partner countries, including the various actors, should be prioritized;
- In order to guarantee the feasibility of partnerships with partner countries, the EU must base its approach on an effective, consequent and permanent dialogue with local authorities and civil society, ensuring that their contributions do not serve as a complement or confirmation of the priorities defined by the EU;
- The EU should value methodologies that have the potential to share power fairly and avoid the logic of replicating exported solutions that are inadequate to local challenges, seeking to ensure that the operationalization of the different types of development cooperation contributes to the establishment of genuine and effective partnerships between the different actors involved in the sector;
- The EU must strengthen civic space and the participation of civil society in order to protect and promote democracy and human rights;
- The EU must recognize Civil Society, especially local organizations, in its multiple configurations, roles and contributions, and must promote its involvement at all levels of policy dialogue and decision-making, monitoring and evaluation of the implementation of the Multiannual Indicative Plans established with each of the partner countries;
- The EU should seek to involve all relevant actors in the relations with the African continent in an inclusive and consequent manner so that the next Joint Africa-EU Strategy becomes a key instrument for promoting Sustainable Development.

EU's role in mobilising financing for development and on a fair and sustainable recovery

Financing plays a central role in the implementation of development cooperation policies, not only because of the importance that resource mobilization represents for the implementation of programs, but also because of the implications that the financial architecture poses for the sector as a whole. A sector that has emerged around the importance of Official Development Assistance (ODA) and that today sees its relative importance decrease compared to other financial flows - in particular Foreign Direct Investment (FDI) and Remittances –, faces the need to integrate new variables into the

equation and to consider how to go about the ongoing transformations. Also here, the commitment to developing genuine partnerships, as well as the adoption of coherent approaches, play a fundamental role in improving the impact in the fight against poverty and inequalities.

Over the past few years, the private sector has acquired an unprecedented relevance in the development sector. This is since it has become increasingly clear that the financial capacity of States alone will not be enough to achieve the Sustainable Development Goals. However, acknowledging the real potential of the private sector in development cooperation and in fulfilling the 2030 Agenda, depends on the ability to distinguish its role in the global context of the sector. This means that it is important to establish a set of mechanisms that will ensure that its contribution goes beyond the purpose of profiting and that it has a role in creating the necessary conditions to protect the environment, improve people's lives, and tackle inequalities. Proposals have been put forward in this regard and include the enabling of due diligence mechanisms and processes of corporate certification related with the respect of human rights and the environment, the deepening of instruments that ensure greater transparency in the assessment of the impact of companies' activities, the alignment with the Sustainable Development Goals and a call for prioritising inclusive and sustainable business models.

Simultaneously, if today is true that ODA is not the most relevant resource in terms of volume, it is also true that it is the only financing instrument for development that is based on a concessional logic and that has as its central objective the fight against poverty and the reduction of inequalities. In the case of countries with greater difficulty in accessing other financing modalities, ODA may even be the only way to obtain the necessary resources to face the consequences of the pandemic in a timely and effective manner. In highly indebted countries, for example, the margin for making resources available for essential sectors in the fight against the pandemic (such as social services) is quickly surpassed. As it has become possible to realize that despite being an important source of funding, the mobilization of the private sector is more relevant in the case of Middle-Income Countries and in sectors other than those most traditionally linked to Human Development, ODA must be in the center of a strong strategy to fight against the consequences of the pandemic - especially in Least Developed Countries.

To this extent, a commitment to a fair recovery also requires that the EU reinforces its commitment to increase ODA flows, as the fulfillment of the 2030 Agenda depends on it. To uphold the importance of ODA in the global context of EU cooperation policies, it is also key to reject its attachment to conditionality criteria - especially in terms of managing migration flows. It is paramount that the EU prioritises grants over loans, invests in strengthening partner countries systems, reinforces the investment for strengthening the provision of social services and environment protection, and promotes human rights.

This is how, from Civil Society's point of view, it could be possible to move towards greater coherence and complementarity of the different types of financing for development around the uppermost objectives of development cooperation policies, taking advantage of the potential that each of them may have to offer.

- At a time when many countries are having more difficulties accessing external financing due to the pandemic, the EU must do its part to ensure a fair recovery at the global level by

complying with its commitment to channel 0.7% of the combined GNI of Member States for ODA, and between 0.15% and 0.20% of GNI for Least Developed Countries;

- The EU must ensure that its approach to mobilising private investment is in line with the priorities defined in the 2030 Agenda and with the principles of Policy Coherence for Sustainable Development, and establish mechanisms for due diligence, transparency and accountability, in order to enhance its contribution to Sustainable Development;
- The EU should prioritise support for inclusive and sustainable business models capable of producing positive effects in social and environmental terms in its approach to boosting the private sector in partner countries, namely within the scope of the European Fund for Sustainable Development +;
- In order to avoid fragmentation, the EU must acknowledge the importance of different financing modalities for development and adopt a coherent, integrated and complementary approach between each one, avoiding that the mobilization of the private sector contributes to diverting financing for ODA.