Arab NGO Network for Development
Regional Position Paper on the
2nd HLM of the Global Partnership for Effective Development Cooperation

❖ **Introduction**

From the Millennium Development Goals (MDGs) to Agenda 2030, development practices and outcomes have indicated the need to strictly adhere to the principles of aid and development effectiveness. Achieving development and fulfilling the universal commitments towards the implementation of Sustainable Development Goals (SDGs) require the same outlook. In this context, the Global Partnership for Effective Development Cooperation (GPEDC)'s second High Level Meeting (HLM) in Nairobi, Kenya (28 November - 1 December) will be a timely opportunity to reiterate the key role of effective aid and development that does not exclude anyone. Furthermore, the meeting will be an occasion to assess previous commitments taken on effective development cooperation. However, rather than mere and repetitive reaffirmations, we need strong political will; firm commitment to transparency and inclusive partnership; and effective monitoring mechanisms to transform our world all together, with a focus on results and engaging all development actors, while ensuring country ownership. In this regard, the 2nd HLM should be the opportunity for mutual accountability for the gaps in implementation of commitments on aid and development effectiveness, beginning in Rome (2003), to Paris (2005), Accra (2008), Busan (2011), and including the outcomes of first HLM in Mexico (2014).

This position paper has been adopted following a regional Coordination and Strategic Meeting held in Beirut, Lebanon on November 18, 2016, with the participation of various stakeholders from 9 Arab countries. The meeting, organized by the Arab NGO Network for Development (ANND) in collaboration with the CSO Partnership for Development Effectiveness (CPDE), provided a platform for civil society representatives to elaborate on development challenges, especially related to Development Cooperation and Inclusive Partnerships; review commitment to the Istanbul Principles; discuss the monitoring of development cooperation; and to take stock the first year implementation of Agenda 2030. The meeting provided an opportunity to discuss concerns on effective aid and development financing in the Arab region and to formulate their messages and priorities for the HLM2.

❖ **Development challenges in the Arab region**

Deep-rooted and widening **social and economic inequalities** in the Arab region, in addition to political despotism, were the key driving force behind people's uprisings half a decade ago. The most important outcomes of the Arab Spring, in its beginnings, had been the smashing of authoritarianism and the permanence of regimes, in addition to the relative advance in the

enabling environment for civil society.[1] This occurred due to spontaneous popular and civic movements that did not rely on foreign funding, as opposed to the setbacks and wars in some countries, which occurred with foreign funding. Civil society played a major role in engaging with the uprisings and succeeded in expanding the margin of expression and political participation to a large extent. However, it was later excluded due to wars and armed conflicts or due to the success of traditional forces in returning to power.[2]

Inequalities within and between diverse states of the Arab region remain as a persistent development challenge that should be addressed by the implementation of Agenda 2030. However, to do so entails a shift from the neo-patrimonial state model to the developmental state model. The **neo-patrimonial state model became common** in the Arab region, given the long-promotion of **free-market economy and trade liberalization.** It is a global model that selectively excludes certain countries and helps authoritarian regimes, **at the expense of the role of the state as an instrument to enforce the rule of law.** This happened without *a priori* or *a posteriori* human rights impact assessments, together with the **shrinking policy space** for the states. This model developed with limited civic participation, lack of **transparency**, and structural **corruption,** thus leading to the **concentration of power** in the political and economic elite. This fact created a crony system with severe discrimination, exclusion, and inequalities. In this context, rights-based social, economic, and political reforms were left aside, while **structural reforms** based on the Washington Consensus and promoted by the international financial institutions, were implemented. The latter resulted in the adoption of austerity measures, cuts in subsidies, and increases in direct and indirect taxation, violating the social and economic rights of the citizens of the region, especially the right to development. **Rights sidelined by the interests** of the few and the lack of effective policies on education, health, and social protection resulted in their **privatization without any binding obligations on human rights**.

In light of the exacerbation of systemic and structural developmental challenges, most of the Arab states **lack comprehensive national development plans,** the ability to fight corruption, and to keep up with global developmental tracks. Therefore, several steps undertaken, including for the implementation of the Millennium Development Goals, were ad-hoc, short-term, and for the sake of meeting targets based on quantitative indicators. Similarly, development projects - implemented together with international actors (donors and international institutions) - resulted in **short-term sectoral achievements, rather than adopting a holistic rights-based approach and addressing the root causes of poverty, unemployment, and social marginalization**.

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[1] Such as the Quartet in Tunisia and the laws related to women's rights in Morocco.
[2] Such as in Egypt currently.

The shift to a developmental state - with democratic civic participation, transparency and accountability of all development actors - entails the adoption of structural reforms on social and economic policies; **enhancing the productive sectors; and ensuring decent work and employment, universal social protection, and the redistribution of wealth** through fair taxation, services, and fair wages. Furthermore, addressing development challenges in the region requires a **rights-based approach in trade and investment** and **reforming the macroeconomic and financial framework**.

Nevertheless, the key role of **effective financing and resource mobilization** in addressing development challenges in the region should be considered. Yet, we should acknowledge that financing gaps - if filled by the business as usual approach and without developing effective implementation policies and means - will not be transformative for the Arab region or globally. Given that the region is home to several wars and conflicts (Syria, Iraq, Libya, Yemen…etc.) and witnesses the violation of the right to self-determination of Palestinian people due to Israeli occupation, we can consider **financing development in the region as a challenge in itself**.

The recognition of challenges in accessing development cooperation in conflict countries and the need to enhance capacities to prevent, manage and resolve conflicts for stability and development is clearly articulated in the draft Nairobi Outcome Document[3]. It is worth focusing on the root causes of these conflicts embedded in Economic and social inequalities and weak political participation. Thus any further effort for peace building and conflict resolution should take these factors into consideration. Furthermore, the conflict in Syria has altered and continues to alter the region and beyond extensively, being **the biggest refugee and displacement crisis of our time, based on UNHCR reports.**[4] Therefore, it is obvious that the implementation of Goal 16 will remain a priority and challenge for the Arab region for achieving sustainable development as well the recognition of Palestinian people's right to self-determination.

❖ **Key concerns of the civil society groups in the Arab region on effective development cooperation**

1.   **Composition of the Official Development Assistance (ODA)**: Together with efforts to address the refugee crisis and security concerns linked to the conflict in Syria, we see a dangerous shift in the definition of official development assistance. The OECD High Level Meeting allowed security-related expenditures, humanitarian aid, and hosting refugees to be considered as ODA. Thus, part of assistance could be shifted to enhance security and military

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[3] The draft Nairobi outcome document is available at http://effectivecooperation.org/wp-content/uploads/2016/10/GPEDC.NBO-OC-doc-rewritten-draft-3-october-2016.pdf

[4] http://www.unhcr.org/news/press/2016/3/56e6e3249/syria-conflict-5-years-biggest-refugee-displacement-crisis-time-demands.html

capabilities to block immigration and address asylum seekers in the donor countries. It is clear that in this approach, 'effectiveness' of the cooperation is questionable, since the root causes of instability and conflicts persist and ODA is spent at the expense of development needs of the people in the region. According to OECD, funds spent on hosting or processing refugees in donor countries doubled from 2014 to 2015: 9.1% of ODA in 2015, up from 4.8% in 2014[5]. The trend remains a key concern undermining ODA, as a resource for addressing development needs. In this regard, it is necessary to point out some worrying developments related to assistance, similar to the EU-Turkey deal, which stipulates putting an end to the flow of refugees and practically imprisons them in the countries of first refuge. This is in addition to the indirect contribution of some aid in exacerbating conflicts, such as in Syria, where aid is used to feed the economies of violence and war.

2. **Investment support as a response to development challenges**: In order to address the conflict in Syria but more importantly the refugee crisis in Europe, several pre-emptive measures have been put forward linking development to investment needs principally. For instance, the key donor, the EU, under the new Migration Partnership Framework limits the causes of migration to lack of livelihoods in the neighboring host countries such as Lebanon and Jordan and provides solutions through investments (mainly private) in these countries.

3. **The role of the private sector**: Another critical issue, given the complexity of the conflict in Syria, its impacts on neighboring countries, and the region as a whole, is the role of private sector in development and addressing crises. Leveraging development resources was an outcome of the London Conference on Supporting Syria and the Region, recognizing the role of private sector in addressing the crisis in the region. The Nairobi Outcome Document draft recognizes as well the role played by the private sector in implementation of Agenda 2030 and the commitment to deepen and strengthen partnerships with private sector. However in order to be considered as financing for development, the impact and direction of private finance should be clarified. A clear and binding commitment to Human Rights principles should be undertaken by the actors from the business sectors involved in development and the operations dealing with the refugees.

4. **Enabling environment and inclusive development**: The aid and development effectiveness processes acknowledged the role played by civil society and the need for an enabling environment for their effective contribution to development cooperation. In fact, ensuring country-level implementation and democratic country ownership require empowering civil society and the institutionalization of inclusive social dialogue for a better engagement, on one hand, and taking measures against restrictive procedures, on the other. Nevertheless, development initiatives in the region consider civil society participation on an ad-hoc basis and no structural dialogue mechanism is adopted. Thus, social dialogue is often

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[5] http://www.oecd.org/development/development-aid-rises-again-in-2015-spending-on-refugees-doubles.htm

limited and focused on implementation rather than planning and programming. Ad hoc, temporary, and non-transparent mechanisms (i.e. consultations) remain insufficient to include the voices and concerns of civil society. On the other hand, international development actors undermine the need to empower local communities and civil society. The established partnerships fail to meet the required principles including respect equality, transparency and mutual accountability principles. The shrinking policy space for States is another factor hampering decision-making process, living less room for national actors and creating more pressure on the society.

5.   **Transparency and ensuring accountability of all development actors:** The March 2016 report of Transparency International on anti-corruption measures noted[6] that despite the ratification of Convention Against Corruption and the establishment of anti-corruption authorities and enacting laws, the results on the ground in the field of rule of law, strengthening integrity, and fighting corruption in the Arab region are still modest compared to other regions of the world. Indeed, the lack of data and statistics on development indicators, as well on planning and implementation of the development projects, remain a key concern in terms of monitoring progress in development processes.

❖ **Key messages from Arab civil society groups to 2nd HLM**

1.   We stress that development cooperation should be effective, transformative, and progressive. This would require **ensuring localization and country ownership and enhancing transparency, accountability, and inclusive partnership**. Transparency should allow participation in decision-making as well as enabling predictability on resources. We recall that effective development cooperation necessitates full respect to mutual accountability, as an expression of the shared responsibility facing developmental challenges. This entails not only the governments, but also international actors (donors, INGOs and IFIs), the private sector, and the civil society. There is also an urgent need for coordination between donors, due to the high level of duplication in some cases, where aid and grants are awarded to similar projects.

2.   Within the MDGs implementation, donor responsibility for the inadequate and conditional nature of development assistance remained untackled, especially in light of the need of countries in the region, which reduces the ability to negotiate. In the implementation of SDGs, we also remain cautious on tied aid. The results of 2016 Progress report by GPEDC shows that 78% of bilateral aid is officially untied. Yet, practices of development cooperation

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http://www.transparency.org/whatwedo/publication/2016_regional_nis_report_arab_anti_corruption_authorities_the_way_forward

contracts being awarded to suppliers from the bilateral partner country remains more than in the recipient country (48% and 42% respectively). Means of implementation is key for achieving sustainable development in the Arab region. However together with quantity of aid, **we restate our call for quality, better, transparent, and untied aid.**

3.   **We reiterate that the private and blended sources of finance will undermine rather than contribute to the achievement of development, unless the development role of the State and its ability to regulate is ensured**. This requires the adoption of the international legally binding instrument on Transnational Corporations and Other Business Enterprises with respect to human rights. The GPEDC Progress report takes a cautious approach to the role of private sector, noting "the increasing involvement of the private sector from development partner countries in delivering development co-operation needs to be carefully managed to avoid further tying of aid"[7]. Furthermore, private sector engagement should be aligned to the national development plans. Transparency and inclusive partnership should be enhanced in private sector practices, strengthening the ability of the government to protect and claim its rights and the rights of its citizens through international courts. Thus, within the financing for development process, private finance should be subject to human rights as well as development criteria, similar to ODA and other sources. Hybrid finance and public-private contracts should also be subject to compulsory transparency and accountability safeguards in compliance with human rights norms and standards whereby human rights and access to basic public services come before profit.

4.   We do not endorse the findings of the GPEDC progress report on inclusive partnership and civil society and **call for efforts to build an enabling environment that will maximize the contribution of civil society to development**[8]. Furthermore, the capacity of governments and parliaments should be enhanced to combat corruption and avoid bureaucracy. While national social dialogue and systematic engagement supported with legislative framework is key at the level of government, we stress that all development actors (donors, INGOs and international institutions) should empower local, national, and regional civil society groups. The lively but restricted civil society in the Arab region would benefit from effective development cooperation, when civil society engagement in all stages of development cooperation is ensured. This includes trade and labor unions; women, student, and youth movements; people with disabilities; as well as minorities. It should also respect gender balance.

5.   We consider that monitoring of development cooperation and the implementation of Agenda 2030 are complementary and are key tools to ensure accountability. The outcomes of

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[7] http://www.oecd.org/dac/effectiveness/Making-Development-Co-operation-More-Effective-2016-monitoring-findings-at-a-glance.pdf

[8] ibid.

the Monitoring Framework have a real potential and the increase from 46 countries in 2014 to 87 in 2016 is a positive development. However, we regret that for the Arab region, few countries are among the 81 (Egypt, Sudan, Mauritania, Yemen, Somalia, and Comoros) in the 2nd round of monitoring. As the Nairobi Outcome Document states, **effective monitoring and reporting is a key element of de-risking development aid and is much needed in the Arab region**. In this regard, we welcome the perspective on broadening the scope of the Monitoring Framework to cover the impact of investments and public-private contracts. We consider that availability and accessibility to the development cooperation information strengthens mutual accountability. Furthermore, it helps coordination, complementarity and coherency between different development actors. This should also entail building the capacity of governments and parliaments in the region to follow-up on international tracks related to development and financing.

6. **The EU, as one of the key donors of the region, should acknowledge that peoples of the region do not only leave their homes to have better access to livelihoods or facilities, but because of the widespread, deep-rooted, and long-lasting conflict in the region.** In most countries of the region, the state is weak, rule of law, democracy, human rights are violated and the state fails to meet the basic needs of its people. Therefore, the focus should not be on merely providing access to livelihoods and infrastructure, but on addressing inequalities in achieving peaceful societies as the key development challenge. In addition, a comprehensive and rights-based revision of EU policies, principally foreign, security, and economic policies, alongside development policy, should be undertaken, taking into consideration their development impacts in the Arab region.

7. Concerning for the global civil society, partnership between civil society in the region and their counterparts outside the region is crucial due to the radical changes occurring around the world, in particular, the return to fanatic nationalism and the closure of many countries after the refugee crisis. In this regard, global civil society organizations can play a major role in delivering the messages of Arab civil society organizations to donors and development partners.