

# Joint civil society submission to the February 2019 Senior Level Meeting of the OECD Development Assistance Committee

## Introduction

This submission represents the views of a group of 26 civil society organisations (CSOs) from the global south and the global north. The submission was coordinated by the DAC-CSO Reference Group - an open platform that aims at facilitating CSO engagement with the OECD's Development Assistance Committee (DAC). We represent diverse constituencies and areas of expertise - including grassroots activists from the global south; southern-led global networks; national CSO platforms from DAC member countries; and international NGOs - but we have a common commitment to see that the work of the DAC delivers a poverty-free, more equal world.

We warmly welcome the new DAC Chair to her inaugural Senior Level Meeting (SLM). We hope the meeting will establish positive precedents for the next chapter of the DAC's crucial work - precedents of strong collective decision making; of putting people in poverty ahead of short-term political gain; and of openness to the perspectives of ODA recipients. The invitation of civil society observers - for the first time in the history of the SLM - sends an encouraging signal in this regard. This document summarises our top-line messages, drawing on more detailed thematic analysis shared with the DAC over recent months.

## A DAC Fit for the Future

We welcome the DAC's commitment to reforms aimed to achieve maximum development impact in an evolving context. We particularly support the DAC's commitment to reaching out beyond its membership and increasing transparency. The Framework for Dialogue between the DAC and Civil Society Organisations,<sup>1</sup> agreed in July 2018, is a flagship example. We welcome positive developments such as the forthcoming DAC-CSO dialogue meeting, and stand ready to support further steps towards the Framework's full implementation. We particularly hope to see:

- Continued progress in consulting CSOs properly on key DAC-led reforms. This includes ensuring timely access to documents, ensuring adequate time for CSO comment and input, and when possible, providing feedback on contributions, as was the case with the purpose code for "facilitation of orderly, safe, regular and responsible migration and mobility".<sup>2</sup>
- Further urgent attention to tackling the barriers for participation by southern CSOs, including enough time dedicated to listening to their views, more accessible options for remote participation, and more analysis on the implications of the restrictions of civic space in many countries (see also our detailed comments on civic space below).
- Exploring other opportunities to enhance dialogue, including outside Paris, through webcasts, VC, and conference calls (where internet access is an issue), and more meetings with CSOs in capitals in both the global north and global south.

Outreach to governments (both national and sub-national units) in the global south is also essential, if the impact of the DAC's work is to be maximised, and if ODA is to move away from a

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<sup>1</sup>OECD, DCD/DAC(2018)28/FINAL, 'Framework for Dialogue between the DAC and Civil Society Organisations'

<sup>2</sup>OECD, DCD/DAC/STAT(2018)23/REV3, 'Proposed new purpose code for "facilitation of orderly, safe, regular and responsible migration and mobility"'.

“donor/recipient” dynamic to true partnerships. We urge the DAC to clarify how it intends to take forward such outreach as part of its reforms.

We welcome the DAC’s recognition that driving forward the development effectiveness agenda is an essential part of fitting the DAC for the future.<sup>3</sup> We agree that the Senior Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC) will be a critical moment for this agenda, and emphasise that it requires strong political support from the DAC. We express our alarm at the lack of progress on key commitments since the Paris Declaration on Aid Effectiveness, the Accra Action Agenda, and the Busan Partnership for Effective Development Cooperation, including with regard to principles on democratic ownership and on reducing fragmentation. **The GPEDC Senior Level Meeting would be an ideal opportunity for the DAC to commit to a new stream of work examining how these principles can be mainstreamed across all its rule-making, norm setting, and peer learning work. In addition, and consistent with the Nairobi Outcome Document, the DAC should offer political support to a Global Action Plan aimed at delivering the unfinished business on the effectiveness agenda through concrete timelines.**

## Preventing Sexual Exploitation and Abuse

We welcome the DAC’s leadership and efforts to develop a common instrument on preventing and safely responding to sexual exploitation and abuse (SEA) in the sector. The fact that the DAC proposal recognises that SEA is deeply rooted in power imbalances, including gender inequality and gender-based violence and discrimination is welcome. We suggest that the instrument should include sexual harassment and be applicable to all DAC partners including the private sector and governments. We support the commitment to a survivor/victim-centred and human rights-based approach. We are happy to see the recognition of various efforts within the sector to address SEA. We also warmly welcome the DAC’s efforts to consult with CSOs through the DAC SEA Reference Group.

The overarching aim of this DAC Instrument should be to reduce duplication, and increase clarity, coordination, and commitment, in order to enable organizations to focus their resources on prevention and response rather than on bureaucracy and reporting. This requires a commitment to aligned standards and requirements (building on existing work especially in the humanitarian sector), consistent shared definitions, procedures, guidelines and monitoring systems. It also requires consistent compliance and adoption of accountability standards to existing human rights instruments (i.e CEDAW & 1325 UN Res and beyond) that have been in place for decades, but are still not fully implemented.

We suggest that the DAC instrument should explicitly commit to investing adequate time and resources to prevent and respond to sexual exploitation and abuse and particularly to ensure the inclusion of survivor/victim centred approaches. It is also critical that the instrument ensures resourcing for research and knowledge management to promote learning and improved practice. Many existing efforts and investments have focused on *response* and do not clearly lay out actions and indicators that relate to *prevention* of SEA through tackling underlying power- and gender inequalities. We recommend that the DAC instrument redress this imbalance of focus.

## Leaving No One Behind

We were pleased to see the recent Development Co-operation Report recognise the Leave No One Behind principle as fundamental to delivering the 2030 Agenda. **We urge the DAC to make this**

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<sup>3</sup>OECD, DCD/DAC(2019)9, paragraph 12

**principle a fundamental test for all its work.** We emphasise the importance of a holistic approach that includes among other dimensions:

- Inequalities among countries. ODA to Least Developed Countries and ODA to countries most at risk of being left behind has been lagging behind overall ODA growth (indeed, in the case of countries being left behind, it has stagnated).<sup>4</sup>**We call on DAC members to increase their ODA and put particular emphasis on allocations to Least Developed Countries and countries being left behind.**
- Inequalities within ODA. **We urge DAC members to ensure that all ODA reflects and advances the core objectives of ODA, including the eradication of poverty, the reduction of inequalities, the improvement of public welfare, and investment in quality and universal public services.**
- Inequalities affecting different population groups. **The DAC has a vital role to play in monitoring and incentivising the uses of ODA that put the ‘furthest behind’ first, and we urge it to redouble its efforts, including through the peer review process, through increased attention to gender equality and women’s empowerment and the rights of marginalised groups in programming, and through effective implementation of the policy markers on gender and on disability.** This includes a commitment to allow partners to budget for the additional costs of gender and human rights mainstreaming.

## Total Official Support for Sustainable Development (TOSSD)

2019 will see critical developments in the evolution of the TOSSD metric, with the Reporting Instructions for cross-border flows (Pillar 1) being submitted for the DAC’s endorsement at the SLM, and with the first global survey of TOSSD compliant flows anticipated ahead of the UN High Level Political Forum. This makes attention to our key CSO concerns, outlined below, more urgent than ever.

We appreciate the notion that transparency over different financial flows contributing to the Sustainable Development Goals should be enhanced, and that this has the potential to improve allocations and increase resources. We welcome the TOSSD Task Force’s openness to hear and respond to the views of civil society organizations in the process of developing the TOSSD metric. Members of the DAC CSO Reference Group have been involved in consultations both at the local and global level, for which we are grateful to the Task Force. In this regard, we emphasize that continued consultations with relevant actors are key to ensuring TOSSD’s legitimacy and relevance.

**However, we are keen to see that SLM makes sure that the right rules and safeguards are in place to ensure that TOSSD captures only official and officially-mobilised resources that are demonstrably developmental in nature, do no harm to people living in poverty, and are directly linked with the achievement of the SDGs and have a clear theory of change to deliver effective development impact - in this regard we welcome the Task Force’s acknowledgment of the need for consistency with the development cooperation effectiveness principles.**

TOSSD should not credit flows which are purely commercial in nature, which are entirely driven by the military/security interests of providers, or which undermine countries’ ownership and leadership of their own development. We also believe that it is of critical importance that TOSSD doesn’t undermine the global commitments on ODA quantity and quality; in this regard we appreciate the clarifications from the Task Force that there will be no target attached to TOSSD unlike the 0.7% for ODA. We welcome the assurance that official flows and funds mobilized from the private sector will be reported separately, which will ensure a clear distinction between public and private

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<sup>4</sup>Development Initiatives, 2018, ‘Investments to End Poverty’, figures 2.12 and 2.13

contributions recorded under TOSSD. This said, the fact that concessionality will not be a prerequisite under TOSSD marks a turning point as to how development finance is defined, which is still a source of concern.

In the months to come, the global Task Force will have to address several important issues on top of the finalization of the Reporting Instructions on International Public Goods, global enablers and global challenges (Pillar 2). Stronger synergies with the UN system and support for this new metric from both non-traditional donors and recipient countries are key prerequisites to take the work forward. Broadening the membership of the Task Force could be a way to help achieve this.<sup>5</sup>

## Innovative Financing for Sustainable Development

We recognise that the private sector can, in the right context and with the right regulatory framework in place, make important contributions to sustainable development, the eradication of poverty, and the reduction of inequalities – by providing decent jobs and livelihoods, and by paying taxes that enable states to deliver essential public services.

However, private sector engagement in development cooperation through blending and private sector instruments also carries significant risks - with marginalised communities such as indigenous peoples often bearing the heaviest costs.<sup>6</sup> As the guardian of ODA standards, the DAC has a special responsibility to tackle these risks through the rules that it sets for Private Sector Instruments (PSIs). We recognise the work that the DAC invested in the agreement of provisional reporting arrangements for PSIs,<sup>7</sup> and **we look to DAC members to implement these arrangements with rigour**. Better data on PSIs is much needed.

The current agreement is not enough to safeguard ODA's unique potential as a resource for leaving no-one behind. The provisional reporting arrangements do not fully address many critical risks associated with PSIs.<sup>8</sup> We share the concern raised in a recent open letter from former chairs of the DAC and the Working Party on Statistics, that resolving unanswered questions on the PSI rules is critical for the DAC's reputation.<sup>9</sup> **We call for DAC members to return to the negotiating table on PSIs in coming months, with raised ambitions. We look to them to elevate the discussion beyond technical details to wider qualitative questions on overall ODA allocation (including the opportunity costs for the social sector, and for countries and segments of society left furthest behind); impact; risks and accountability. And we urge DAC members to re-examine critically the extent to which PSIs align with ODA's core definition and purpose.**

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<sup>5</sup>The DAC CSO Reference Group has submitted several position and reflection papers over the past few months, the latest of which in Jan 2019: <http://bit.ly/TOSSDJan2019>

<sup>6</sup>See for example, Centre for Research and Advocacy Manipur/Eurodad/Oxfam, January 2019, 'Four critical steps to ensure international aid works for the poorest': [https://eurodad.org/international\\_aid](https://eurodad.org/international_aid)

<sup>7</sup>OECD, 'Provisional reporting arrangements for Private Sector Instruments', <http://www.oecd.org/dac/Private-Sector-Instruments.htm>

<sup>8</sup>For more analysis on the provisional reporting arrangements, please see Centre for Research and Advocacy Manipur/Eurodad/Oxfam, January 2019, 'Why 2019 is a make-or-break year for international aid' (<https://eurodad.org/private-sector-instruments>) and 'Four critical steps to ensure international aid works for the poorest', as above.

<sup>9</sup>J. Brian Atwood, Richard Manning, and Hedwig Riegler, December 2018, 'Don't undermine the basic architecture of OECD DAC statistics: a letter of warning': <https://www.brookings.edu/blog/future-development/2018/12/21/dont-undermine-the-basic-architecture-of-oecd-dac-statistics-a-letter-of-warning/>

# Important issues that are not on the Senior Level Meeting agenda

## ODA and migration

The linkages between ODA and migration policies are becoming more and more prominent in the discourses, policies and programs of many DAC donors.

We believe that aid can play a role in supporting developing countries to address issues related to migration and development – through effective assistance, by reducing risks that create conditions for displacement, by assisting in establishing safe and regular migration routes, and in supporting human rights and the rule of law more broadly. However, we strongly oppose aid being used to restrict mobility, illegalize or stigmatise people on the move. This is incompatible with aid's central purpose of poverty reduction and may even counteract that purpose and harm the very people it should be helping.

Restricting mobility can affect the livelihoods of communities who engage in cross border pastoralism or trade, or result in migrants taking even more dangerous and expensive routes. Moreover, donors should not instrumentalise aid in their interest to restrict the arrival of migrants at their border, or to outsource their own migration agenda to developing countries. Aid should never be used as a bargaining chip to obtain agreements on readmission, stronger border control or restricted mobility. Finally, aid must focus on longer-term and human rights-based investments in development, never limited security-focused solutions that see migration as a threat and give priority to stemming irregular migration.

Over the course of 2018, the DAC has developed a specific reporting code on ODA and migration, into which CSOs substantially inputted. We hope the code will enable the DAC to collect and publish more data on what donors are doing in this field. **As the DAC is discussing the opportunity to convene a policy-level discussion on the linkages between ODA and migration in the near future, we urge that CSOs and partner countries be consulted.**

## Aid and security

We are increasingly concerned that current trends in the allocation of ODA will deepen the 'militarization' of aid and its diversion to countries and purposes linked to the strategic interest of major donors. Aid has an important role to play for peaceful and safe societies, but it can only do so when it is needs-based, poverty-focused, owned by and responsive to its beneficiaries, and independent of donors' immediate military and security objectives.

The 2016 DAC review of the ODA-eligibility rules for peace and security related activities brought clarity compared to previous rules, but also led to including new areas on which CSOs have expressed concerns (i.e. the inclusion of certain activities linked to Preventing Violent Extremism and to engaging with partner country military forces). At this stage, **we would strongly caution against a reopening of DAC rules as this could result in a possible further expansion of ODA-eligibility and contribute to a greater securitization or militarization of aid. We instead call for the DAC to scale up its monitoring efforts in this area, to ensure that donors are not stretching the current rules.**

## Civic space

We call your urgent attention to the rapid and increasingly systemic restriction of civic space. Closing civic space has devastating - even lethal - effects for individuals, curtails the essential work of CSOs,

and ultimately puts the achievement of the SDGs in jeopardy. We support forthcoming DAC work on these issues, including the study on DAC members' engagement with CSOs, and guidance on supporting and expanding civic space through development cooperation. **We hope this will develop into a sustained priority for the DAC. We hope to see a particular emphasis on support to, engagement of, and space for CSOs in the global south –whilst at the same time paying attention to those contexts in the global north where civil society space is receding rapidly.** We encourage members of the DAC to consider the implications of their policies towards civil society and their support from the perspective of the goal to strengthen civil society as a development actor in its own right. DAC members can jointly and individually support measures for an enabling environment for CSOs in their policy dialogues with development partners. These measures should be consistent with human rights agreements and aligned with the commitment of all countries within the Global Partnership for Effective Development Cooperation (GPEDC) to reverse the closing space for CSOs.

## Debt

We welcomed the 2014 High Level Meeting's agreement that, under the grant equivalent system for reporting on loans, 'the cost of risk should not be double counted'.<sup>10</sup> We are worried that recent proposals for reporting debt relief do not respect this principle. We are also concerned that decisions on this contentious and political issue have been taking place within the Working Party on Statistics, which has reduced transparency and restricted opportunities for CSOs to engage. **We hope that, by the time of the Senior Level Meeting, the Working Party on Statistics will not have made any hasty decisions, and there will still be time for an inclusive dialogue on how to prevent ODA inflation in the new rules on debt relief.**

We also note that prevention is better than cure, especially at a time when increasing numbers of countries in the global south are at risk of debt crisis: according to IMF debt sustainability assessments, 32 low-income countries were in debt crises or at high risk of crisis by the end 2018.<sup>11</sup> We urge DAC members to give greater attention to the possible debt sustainability risks of offering ODA loans rather than grants.

## Untying ODA

We welcome the DAC's recent decision to widen its Recommendation on Untying to ten additional countries. This is a positive step towards ending the wastage and missed development opportunities that tying of aid implies. **A clear and urgent call to fulfil commitments on untying of aid is critical,** as the most recent data shows that over 16 billion dollars of ODA was formally tied in 2017,<sup>12</sup> even before factoring in informal tying. Recent research estimated the immediate cost of tying was between US \$1.95 billion and \$5.43 billion in 2016 alone.<sup>13</sup> **We urge DAC members to take renewed action to tackle informal tying by:**

- **Tightening accountability** - for example, requiring DAC members to give a written explanation whenever a contract is awarded to a firm in the donor country; and taking

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<sup>10</sup>OECD DAC, 2014, High Level Meeting Communiqué, Annex 2 paragraph 14

<sup>11</sup>IMF debt sustainability analysis for Low Income Countries:

<https://www.imf.org/external/pubs/ft/dsa/lic.aspx>

<sup>12</sup>OECD, December 2018, Statistics on Resource Flows to Developing Countries, table 24

<sup>13</sup>Eurodad, 2018, 'Development Untied: Unleashing the catalytic power of Official Development Assistance through renewed action on untying'

urgent steps to analyse and mitigate the risks of informal tying associated with delivering ODA through Private Sector Instruments.

- **Overhauling their procurement processes to remove barriers that prevent firms from the global south having a fair chance** - for example, splitting tenders into smaller lots; advertising through local media outlets; and advertising in local languages.

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