

# BetterAid update

A bi-monthly newsletter from BetterAid. Contact [cbirkett@eurodad.org](mailto:cbirkett@eurodad.org) to subscribe or make contributions.

BetterAid is a civil society open platform that has been working on development cooperation and challenging the aid effectiveness agenda since January 2007.

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## Spotlight on South-South Cooperation

### What is South-South Cooperation?

South-South Cooperation began in the 1950s in the context of the common struggle of former colonies to attain genuine independence and development. It takes many forms, ranging from economic integration, regional cooperation, the formation of negotiating blocs within multilateral institutions, humanitarian assistance, technical cooperation, cultural exchanges, military alliances and so on.

### Does it make up a large part of aid?

Although North-South Development Cooperation accounts for the far larger share of international development assistance, with the prospects of economic stagnation looming on the horizon in the developed world, poor countries are increasingly looking towards other developing economies for greater trade, investments and development cooperation. Official Development Assistance (ODA) from so-called emerging donor countries has risen from around 5% of total ODA flows in the 1990s to between 7.8 and 9.8% in 2006 according to estimates by the United Nations Economic and Social Council (ECOSOC).

### Examples of SSC

Examples of SSC fall into two main groups: the formation of emergent country alliances such as through IBSA (India, Brazil, South Africa) and most recently BRIC (Brazil, Russia, India and China) meetings, on the one hand; and the creation of regional blocks, such

as ALBA (The Bolivarian Alternatives of the Americas), UNASUR (South America Union), the African Union and the Association of Southeast Asian Nations (ASEAN), on the other.

**SSC case stories are shared at [www.southsouthcases.info](http://www.southsouthcases.info)**

### Decision makers

Both the UN Development Cooperation Forum (DCF) and the Working Party on Aid Effectiveness (WP-EFF), have workstreams on SSC. The WP-EFF's workstream organised the High Level Event on South-South Cooperation and Capacity Development in Bogota this March to follow up commitments made in the 2008 Accra Agenda for Action with regard to SSC.

### State of debate

Many agree that SSDC may represent the strengthening of broader South-

South cooperation and the promotion of alternative visions of development. Southern assistance can also address areas otherwise unfunded by Northern donors, and is usually provided with fewer harmful policy conditionalities than Northern assistance. Technical assistance from Southern countries is also seen as more appropriate to local conditions and the needs of program countries compared to Northern expertise, which is often more expensive and less attuned to the realities on the ground. However, in cases of SSC involving regional powers, there is a risk of reinforcing existing dependencies. Also, SSC often lacks transparency, and does not respect human rights. Furthermore, the entry of some emergent countries into the G20 might represent a loss of interest in investing in South-South cooperation.

### High Level Event on South-South Cooperation and Capacity Development

This event was organized by the Government of Colombia on 34 March 24 and 25, and was attended by over 400 participants. The primary focus was on international development cooperation – and within this, on South-South technical cooperation. The event did not substantially address financial cooperation (for instance grants and loans). It resulted in the “Bogota Statement” on SSC, endorsed voluntarily by most participants.

The following summarizes some of the key topics discussed at the event, and raises issues for further consideration.

#### Getting to the core: SSC, aid effectiveness and the development cooperation architecture

The meeting succeeded in building further momentum around SSC. It ensured that SSC will be a central part of the development cooperation agenda in the

*Continued overleaf*

### High Level Event on South-South Cooperation and Capacity Development

lead up to the Seoul HLF, both at the DAC WP-EFF as well as at other forums such as the UN Development Cooperation Forum.

At the same time, a number of key questions require much deeper consideration. While some are on the current remit of the Task Team on South-South Cooperation, they were not substantively discussed at the meeting. They include:

- Are the Paris Declaration and the AAA appropriate frameworks for SSC and triangular cooperation? To what extent do they need to be amended, and in which areas?
- Which Southern providers are choosing to engage with these frameworks, which prefer to operate outside them, and what determines these choices? What are the implications for future development cooperation arrangements?
- Linked to this, to what extent are Southern actors engaging with the current mechanisms for the governance of development cooperation, in particular the DAC WP-EFF, and the DCF? Which actors are choosing to operate outside of these mechanisms – and what does this mean for the future of the development cooperation architecture?

#### **Acknowledging differences, and addressing them**

The event demonstrated a high level of consensus around the value of SSC, between both providers and recipients, and middle and low income countries. At the same time, the group of countries involved in SSC is by no means homogenous. There are clear differences in how countries see the development cooperation system and their participation in it. The larger providers of SSC do not necessarily share the views of other SSC providers or recipients. China, for instance, was unwilling to endorse the “Bogota Statement”, and asked other countries to also not endorse it. So far, it appears that official processes have not adequately acknowledged differences between different actors, or have not sufficiently considered how to address these differences. This will need to occur soon, otherwise the differences will represent a major stumbling block in the future, for instance at the Seoul HLF.

#### **Tackling financial S-S development cooperation**

The Task Team on SSC focuses primarily on technical cooperation, and the same applied to this event. Technical cooperation is a very important aspect of SSC, and is making a major contribution. However, financial

cooperation, in particular in the form of grants and loans, is a key aspect of SSC, especially for the larger providers. This reinforces that South-South financial flows need to be tackled as part of the broader discussion of SSC. The Working Party on Aid Effectiveness and Task Team on SSC – as well as follow up processes to this event - will need to decide whether to address financial cooperation, and if they choose not to, how to ensure that it is properly addressed elsewhere.

#### **SSC and non-state actors**

The meeting reinforced that most discussion of SSC has occurred through official channels and has focused on government-government processes. SSC between non-state actors needs to be considered and these actors need to be more effectively brought into the discussions. This is likely to make the processes more complex and unwieldy, but is necessary as part of engaging a wider range of stakeholders in development cooperation.

#### **The capacity development angle**

The event focused on the “mechanics” of SSC, and included many positive examples of SSC, drawn from the 110 case stories that were prepared for the meeting. This provided valuable learning on how SSC is actually occurring. However, despite the event’s title, there was little exploration or analysis of the “capacity development” aspect of SSC. In particular, there was little acknowledgement that much of current capacity development is based on technical advice and cooperation, and that in the past, N-S cooperation in these areas has been highly problematic. SSC needs to learn from the lessons of problematic N-S technical advice, avoid perpetuating unhelpful practices, and develop practice frameworks for SS capacity development.

#### **Building on momentum, aiming for better evidence and knowledge**

The momentum around SSC is providing an important basis for Southern governments and other actors to more strongly engage with the aid architecture. However, there is also a need to ensure that discussion of SSC’s comparative advantage goes beyond the descriptive and anecdotal, that enthusiasm is underpinned with a stronger evidential base, and that there is space for critical analysis. Further research is required to better understand the different interests and incentives that are driving S-S and triangular cooperation, to improve data on SSC, and to provide deeper analysis of SSC’s key characteristics.

Bill Morton *North South Institute* [www.nsi-ins.ca/english/default.asp](http://www.nsi-ins.ca/english/default.asp)

Read BetterAid’s policy paper on South-South Development Cooperation at: [www.betteraid.org/index.php?option=com\\_content&task=view&id=259&Itemid=26aid\\_english.pdf](http://www.betteraid.org/index.php?option=com_content&task=view&id=259&Itemid=26aid_english.pdf)

## CSO activities

### Development Cooperation not aid

BetterAid produced a policy paper on development cooperation, for the meeting of the Working Party on Aid Effectiveness in Paris, December, 2009. It proposes a set of issues, to be prioritized, addressed and elaborated upon in new commitments by all development partners in the preparations for the Fourth High Level Forum on Aid Effectiveness 2011 and the 2010 United Nations Development Cooperation Forum.

As acknowledged by the Accra Agenda for Action (AAA), development effectiveness must be rooted in human rights and based on decent work, gender equality and women's rights, inclusive democratic power sharing and coherent national and global governance. Effective development requires an equitable multilateral architecture for determining policies and priorities for donors and developing country governments, based ultimately on the legitimacy of the United Nations. The UNDCF would provide an important multilateral and open platform to contribute to these goals.

BetterAid recognizes the urgent need for an aid architecture that is equitable and focused on social and economic justice for people living in poverty. Additionally, the emergence of new donors such as China, India and Brazil, growing South-South cooperation, large scale private philanthropy and the increasing role of non-governmental organizations as donors, challenge existing aid arrangements and must be addressed.

BetterAid calls on all development partners to work together to respond to these challenges. The Working Party on Aid Effectiveness (WP-EFF) can make an important contribution to this work. The processes underway in the lead-up to HLF4 which is to be held in Seoul, South Korea in 2011

also provide an opportunity for action. But the WP-EFF can do so only by proposing forward-looking and transformative commitments that go beyond the current aid framework. For now, the HLF4 continues to be largely focused on an aid effectiveness regime arising from the Paris Declaration and the AAA that is primarily being carried out under the auspices of the donor Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD).

While establishing important principles and directions for aid reform that must still be implemented, the Paris Declaration and AAA structures should give way to a broadened and deepened "Seoul Declaration". Such a new framework should be one that is based not on aid effectiveness, but on development effectiveness, which advances human rights, solidarity, equality, responsibility and mutual accountability. It must have an ambition and a set of commitments for change that go beyond what has been agreed in the Paris Declaration and the AAA and with the political will to be fully implemented and respected by signatories.

Read BetterAid's recommendations in the full policy paper: [www.betteraid.org/images/Documents/dev%20coop%20not%20aid\\_english.pdf](http://www.betteraid.org/images/Documents/dev%20coop%20not%20aid_english.pdf)

### Lake Turkana

In January The Friends of Lake Turkana (FoLT) organised demonstrations in various towns around Lake Turkana to express their concern about the devastation posed by the Gibe III dam, which is under construction on the Omo River, on Lake Turkana and its people.

The construction of the Gibe III dam started in 2006 as a result of an agreement signed between the Ethiopian government and the Italian company Salini Costruttori. The cost of the project is expected to amount up to €1.4 billion, without counting mitigation measures and compensation for the affected population.

The government of Ethiopia is now seeking international financing to complete the Gibe 3 Dam, and has submitted official funding requests to the Italian Government, to the European Investment Bank, to the World Bank and to the African Development Bank. Local and global CSOs have launched a campaign to oppose financial support from multilateral development banks' to such a devastating project.

The origins of the project were already problematic as the contract was awarded to the

Italian company with no competitive bidding, thus violating Ethiopia's law and contravening international standards. Moreover, according to Ethiopian law, an environmental and social impact assessment is supposed to be carried out before any project is approved. Despite this, the Ethiopian Environmental Protection Agency approved retrospectively, two years after construction work started, an assessment study which was paid for by EEPCo (Ethiopian Electric Power Corporation) and Salini, raising questions over its independence and credibility.

Once completed, the Gibe III Hydropower dam will block the south western part of the Omo River, creating a 150 km long basin which will jeopardize the river's fragile ecosystem forever and dramatically affect the lives of about 500,000 people living in southwest Ethiopia and northern Kenya. The affected communities were never properly consulted and have not received any information about the project being implemented on their land. The lack of democratic space in Ethiopia prevents project affected people, local NGOs and academics to openly express criticisms

against the Gibe 3 project, in fear of government-sanctioned retaliation.

According to the African Resources Working Group (ARWG), there is evidence that the dam will have an enormous impact on the delicate ecosystem. If the natural flood with its rich silt deposits disappears, subsistence economies will collapse, leading to food shortages and insecurity

for the hundreds of thousands of people now living in the Lower Omo Valley, a UNESCO World Heritage Site, all the way down to the world's largest desert lake, Kenya's Lake Turkana.

Joshua Angelei, Friends of Lake Turkana  
[www.stopgibe3.org/](http://www.stopgibe3.org/)  
[www.friendsoflaketurkana.org/](http://www.friendsoflaketurkana.org/)

## Trade unions speak out on development effectiveness

In March the International Trade Union Confederation (ITUC) organized a conference on the theme "The Global Crisis and Aid Effectiveness – New paths for Development". Experts from the United Nations, UNIFEM, the ILO, the OECD-DAC, the EU, the Spanish Agency for Development Cooperation and the ITUC made presentations including on the theme: "Improving Development Effectiveness and the New International Development Architecture".

Key concerns included that the International Financial Institutions (IFIs) must end conditionality, allowing developing countries the fiscal space to pursue effective stimulus programmes. Also important is that donor and partner countries adhere to the Paris principles more than to a Statement of Principles, and to move beyond aid effectiveness to development

effectiveness.

Trade unions requested more acknowledgement as development actors in their own right, for their involvement in consultations on aid strategies, and in the monitoring of development impacts. Moreover, trade unions are calling for consultative status with the OECD-DAC.

Trade unions' own process of defining principles on development effectiveness will be refined through a series of consultations key to this is the role of the ITUC regional organizations as well as the involvement of the Global Union Federations.

Luc Vermeersch, ITUC  
[www.ituc-csi.org/IMG/pdf/newsletter10-march2010EN\\_.pdf](http://www.ituc-csi.org/IMG/pdf/newsletter10-march2010EN_.pdf)

## Transparency and accountability demanded in aid disbursement to Bangladesh

On February 16th, in parallel to the 'Bangladesh Development Forum', 22 civil society organizations in Bangladesh organized a protest in Dhaka against foreign donors and development banks in Bangladesh and Bangladeshi government officials and bureaucrats, who protesters claim are responsible for the misuse of foreign aid and the increasing indebtedness of the country since the liberation of Bangladesh.

The organizers demanded a new model of development financing, based on the South-North platform for sovereign, democratic and responsible financing which had been developed by a global coalition of CSOs to ensure that the benefit of aid and loans reaches the poor, and funds are used in a transparent and accountable manner.

In a written statement the organizers asserted that Bangladesh has the right to have development aid, but the lion's share of foreign aid misuses and repatriates the aid to donor countries in the form consultancy and technical assistance fees. A study, conducted by Prof Abul Barkat, reveals that 30 % of the aid goes to donor countries, 25 % goes to the bureaucrats, 25 %

goes to the local elites and politicians and only 20 % reaches to the poor. (do we have a link to this study?)

Protesters urged the government and donors to follow the principles of sovereign, democratic and responsible financing. The South-North platform contains specific demands such as, (i) all aid and loan money must be discussed and approved in parliament (not required by the existing constitution of Bangladesh) (ii) all loan and aid agreements must be transparent and accessible to the public (provision absent in the existing Right to Information Act) (iii) there must be a separate audit commission to audit foreign aid and loan projects and these audit reports must be made public (iv) local government representatives and civil society organizations should be consulted during implementation of foreign aided projects. Speakers also urged that projects serving the mutual interests of donors and recipients should be provided as grants and not loans.

[www.Equity.bd](http://www.Equity.bd) for more information

## CSO updates in brief

**The Preparatory Committee of the Korean Civil Society Forum on International Development** was launched on March 29. The Forum will follow up issues including aid/development effectiveness.

**The Africa Regional Meeting on Aid Effectiveness, South/South Cooperation and Capacity Development** took place in Pretoria, South Africa, 2-5 March 2010. A summary and outcomes of the event can be found at [www.tinyurl.com/2vjwjt](http://www.tinyurl.com/2vjwjt).

## Latest news on official aid

### As MDG review summit approaches, EU is off track on aid commitments

The EU is unlikely to meet its 2010 aid targets. The 2010 aid forecast and the preliminary figures for 2009, recently released by the OECD, note the EU is well off track towards its collective target of 0.56% of GNI, agreed in 2005 as an interim benchmark towards achieving the UN goal of 0.7% by 2015.

European NGOs have repeatedly warned that Europe was behind schedule. The annual AidWatch report "Lighten the Load: In times of crisis EU aid has never been more important", published in May 2009, showed that, collectively, EU aid stood at 0.4% of GNI in 2008. Official OECD figures indicate that the DAC EU countries stood at 0.44% in 2009 (given to shrinking GDPs this means a reduction in absolute terms) while preliminary information show that 2010 EU disbursement would be around 0.45 / 0.48%. These estimations might still change considerably, however it is clear that the EU will not reach its collective 0.56% target in 2010 unless significant efforts to increase aid are made.

This disappointing "collective" situation is a consequence of the fact that many EU member states are off track on their individual commitments. It is particularly alarming that 3 of the biggest countries, far from pulling their weight and showing leadership, are actually preventing the targets from being met: according to the OECD's projections released in February, Italy's aid is expected to reach only 0.20% of GNI in 2010, Germany's 0.40% and France's 0.46%. Many member states justify their poor performances by pointing at the global financial crisis, which would give them no choice but to cut their budgets. While acknowledging the difficulties caused by the crisis, it is however interesting to note that not all member states are off track on their targets: UK, Belgium and Spain, despite being hit hard by the effects of the crisis, have made clear progress, showing once again that honouring aid commitments is mostly a matter of political will.

EU aid is therefore clearly under threat. However, as the world's largest donor and with a value system which is largely rooted in human rights and

sustainable development, the EU has a responsibility to play a leadership role worldwide on development. That is why CONCORD – the European confederation of development NGOs – through its AidWatch initiative is calling on the European Commission and the EU member states to adopt this year ambitious measures on aid quantity and quality.

In a new position paper, AidWatch firstly call on the older 15 EU Member States to reaffirm their commitment to giving at least 0.7% of GNI as ODA by 2015 and on the 12 newer member states to reaffirm their commitment to providing at least 0.33% by 2015 (collectively the EU must recommit to giving 0.7% ODA/GNI by 2015). Of course, those countries which are currently giving more than 0.7%, have committed to reaching 0.7% sooner than 2015 or have committed to reaching a higher level should reaffirm their more ambitious commitments. Secondly, the CONCORD AidWatch paper asks all EU Member States to put in place a legally-binding timetable of annual aid increases showing how they will meet their ODA commitments. Such timetables should be consistent with a linear scale-up of aid (avoiding backloading) and be published and submitted to the European Commission before the end of 2010.

However European NGOs have seen too many commitments on paper that have not been fully translated into practice. That is why AidWatch is now calling for an innovative accountability mechanism. Such a scheme would involve an annual peer review at Council (Heads of state and government) level and an annual debate at the European Parliament: in both occasions, those member states which have not established a national timetable, or have diverged from their timetable, should explain such an outcome and present steps to be taken to realign with their commitment.

With this summer's MDG review summit fast approaching, the EU and its member states need to demonstrate a real leadership and a genuine resolve to combat world poverty. Without meeting commitments on quantity and quality of aid, we will not meet the MDGs.

**Alessandro Bozzini, Aidwatch**  
The report will be published at:  
[www.concordeurope.org](http://www.concordeurope.org)

### Roller-coaster ride for the UK's 0.7% legislation continues

The new UK Government's coalition agreement - announced a week before this article went to press - included a commitment to introduce legislation committing the UK to delivering 0.7% GNI as aid. However, this legislation was not included in the Government's 2010/11 legislative program announced on 25th May, suggesting there is still a question over its future.

Following a decade of decline during the 1990s, UK aid levels have generally been on the rise since 2000, albeit inflated by high levels of debt relief in 2005 and 2006. UK aid reached 0.52% of GNI in 2009 and is expected to reach at least 0.6% by the end of 2010/11. Further increases were anticipated, following a cross-party commitment to deliver 0.7% by 2013 and ambitious aid spending plans for the period 2007/8-2010/11 announced in 2007.

Despite this progress and political commitment to 0.7%, UK NGOs were all too aware that future aid increases remained vulnerable to changeable political commitments and economic dynamics, especially with an upcoming UK election and the global economic crisis hitting the UK economy hard. They therefore proposed – in a mid-2009 Bond (the umbrella organisations of UK development NGOs) submission to the UK government's consultation on its 2009 White Paper on International Development – that the UK government introduce a law committing future governments to deliver at least 0.7% of GNI from 2013 onwards.

Although the UK government's 2009 White Paper on International Development did not include a commitment to legislation on 0.7%, at Labour's (the ruling party) annual conference in October 2009, Gordon Brown announced that his government would be introducing such legislation to parliament.

UK NGOs hoped and formally argued that the legislation should be introduced immediately as there was already a cross-party consensus on reaching 0.7% by 2013. However, the Labour Government decided the Bill should go through a consultation phase, which meant that a full piece of legislation

**Latest news on official aid**

could only be introduced after the May 2010 election.

In early January 2010 the UK government published the draft 0.7% legislation for consultation, which in five short clauses simply stated the UK government's commitment to reaching an aid level of at least 0.7% from 2013 onwards and measures for holding the Government accountable for meeting 0.7% and reporting on UK aid levels.

The report from the consultation on this draft legislation was published in late March 2010. It concluded that the legislation would help to ensure meeting the 0.7% commitment in the future, to improve the overall predictability of UK aid and to maintain the UK's leadership in development internationally. It did though question whether other international donors would be influenced by the legislation – one of the government's stated objectives for it – and suggested that stronger accountability measures were required if the legislation was to effectively influence future Governments.

Nevertheless, the consultation report clearly establishes a mandate for legislation on 0.7% to be improved and submitted to the UK parliament for future adoption. Ahead of the May 2010 UK election this step seemed like a realistic prospect as all major UK political parties pledged their support to put such legislation to the UK parliament.

However, political pledges are one thing and actual action is another, as has been proven once again following the new UK Government's failure to include reference to such legislation in its legislative program for 2010/11 announced on 25th May. Informal responses from the UK Government following this announcement suggest that commitment to the legislation is still in place, but this turn of events fails to remove the question mark over its future. The roller coaster ride for the UK's 0.7% legislation therefore continues.

Gideon Rabinowitz, UKAN [www.ukan.org.uk](http://www.ukan.org.uk)

**Assessing aid untying: Donor rhetoric or development reality?**

As part of its efforts to monitor the implementation of the Paris Declaration on Aid Effectiveness,

the OECD commissioned the first ever independent evaluation of the implementation and impact of commitments to untie aid included in the 2001 DAC Recommendations on untying aid to the Least Developed Countries and in the Paris Declaration and the Accra Agenda for Action.

It is widely accepted that tying aid donors disbursing aid on the condition that purchases are made from companies based in their own countries reduces cost-efficiency, effectiveness, and the overall developmental impact of aid. Despite this, while the evaluation notes that the proportion of fully untied bilateral aid increased from 46% in 1999-2001 to 76% in 2007, researchers noticed that "many formally untied projects were found to be de facto tied or to have only some untied components". From a sample of 327 contracts assessed in 6 case study countries, 201 were awarded within donor countries, 25 to other OECD countries, and 102 to developing countries.

According to the evaluation, reasons for de facto tying can be found on both sides. Donors still have inadequate procurement regulations in place and furthermore, there is a lack of transparency; some donors and aid agencies are still not advertising all tenders locally and in the language of the recipient country. Thus, the evaluation clearly shows that there are still entry barriers in place which impede the participation of local firms in implementing aid-funded projects participation that is key for making aid an effective instrument for sustainable economic development.

Bodo Ellmers, Eurodad [www.eurodad.org/whatsnew/articles.aspx?id=4000](http://www.eurodad.org/whatsnew/articles.aspx?id=4000)

**Towards more transparent aid**

The Steering Committee (SC) of the International Aid Transparency Initiative (IATI) convened in Paris in April.

Key points discussed included the need to encourage a new attitude in donor agency staff, that sees them being more open in sharing information on aid not only focusing on standards and rules. The need to provide IT contact points for each agency to help donors implement IATI standards was also discussed.

Some donors highlighted the difficulties they face in translating IATI

standards into practice, and asked for concrete timelines and information about what needs to be published, when, how and by whom.

The meeting also kickstarted initial discussions on IATI plans for post -2011. Should capacity building for partners and CSOs on aid information become part of IATI? And by whom should implementation/monitoring of IATI be done?

IATI will undertake several country pilots throughout June, the results for which will be made public later in the year. Pilot study countries include Cambodia (desk study), Malawi, DR Congo, Burkina Faso, Colombia, Sri Lanka, and Rwanda. The IATI standards are also being piloted in Haiti in the reconstruction effort.

The drafting group for the IATI code of conduct now includes CSOs, represented by Transparency International. There is a place for one more CSO to take part in the process. If your organisation is interested, please contact Adrian Aupperle ([aaupperle@transparency.org](mailto:aaupperle@transparency.org)) or Craig Fagan ([cfagan@transparency.org](mailto:cfagan@transparency.org)).

IATI has also drafted a consultation document setting out the latest IATI proposals. See [www.iaticonsultation.org/](http://www.iaticonsultation.org/) for more information.

Adrian Aupperle, Transparency International, [www.transparency.org](http://www.transparency.org)

**Bangladesh: What is the role of the World Bank in climate funding?**

An alliance of eleven CSOs, led by Equity and Justice Working Group Bangladesh, have been protesting against a decision to channel climate funds to Bangladesh through the World Bank. They claim that through giving a role to their allied forces the IFIs donor countries are attempting to control the management of climate funds.

Major donors to Bangladesh's Multi Donor Trust Fund (MDTF) had been putting pressure on the Bangladeshi government to channel the fund through the Bank ever since the fund was established in September 2008.



## Latest news on official aid

Such donor conditions were initially opposed, but at the 'Bangladesh Development Forum' held in February the government stated that it is going to accept the WB's role on MDTF in the name of Technical Assistance from the Bank.

'Technical and fiduciary management of the fund might be given to the WB.' said Bangladesh's Finance Minister AMA Muhith.

Following the statement, CSOs organized a press conference in Dhaka on February 18th, calling on the government to make clear the role of the World Bank in managing the MDTFs.

Visit [www.equitybd.org](http://www.equitybd.org) for latest updates and more information.

### Climate financing is not aid- spotlight on Finland

Finnish NGOs are highly concerned about the Finnish Government's recent decision to finance climate change adaptation in developing countries from its development cooperation budget.

Industrialized countries committed to financing climate change adaptation and mitigation in developing countries at the climate summit in Copenhagen last year. Finland's share of the EU's promised fast-start financing between 2010-2012 is 110 million euros.

Climate financing should be additional to development cooperation funds precisely because climate finance is not aid these funds are intended to compensate for damage done to the atmosphere. Developed countries have used more than their fair share in order to advance their own development.

At present, this allegedly new and

additional money is nowhere to be found, and instead will mostly be drawn from the development budget. Finland is showing a poor and dangerous example to other donor countries. If all countries recycle aid and rebrand it as climate finance as Finland does, Africa, and especially education and health sectors, will suffer the most. It has been estimated that the current poorest aid recipients will lose over two billion euros in aid when climate funds to middle income countries begin to erode the aid budget.

While Finland will raise its share of ODA to 0,58%, up from 0,54 % last year, this percentage is now fixed until 2014, making it extremely difficult for Finland to reach its 0,7% ODA target by 2015. It will be left to the next government to decide whether to increase ODA after the general election next spring.

On a more positive note, Finland has not as yet changed the way it reports refugee costs. There are discussions about whether to include a larger share of refugee costs as ODA. This could make Finland the largest recipient of its own aid. Finland has, however, decided to seek clarification of ODA criteria on refugee costs at OECD DAC's June meeting before possibly changing its reporting practices.

Niina Pitkänen, Kepa [www.kepa.fi/international/english](http://www.kepa.fi/international/english)

**Back ground paper (English): No Development without Addressing Climate Change - Intersections Between Climate and Development Policies:** [www.kepa.fi/palvelut/julkaisut/taustaselvitykset/pdf/28\\_kaskinen\\_tuuli\\_-\\_no\\_development\\_without\\_addressing\\_climate\\_change.pdf](http://www.kepa.fi/palvelut/julkaisut/taustaselvitykset/pdf/28_kaskinen_tuuli_-_no_development_without_addressing_climate_change.pdf)

**Back ground paper (Portugues): Não há desenvolvimento sem resposta à mudança climática - Cruzamentos entre as políticas sobre o clima e sobre o desenvolvimento:** [www.kepa.fi/palvelut/julkaisut/taustaselvitykset/pdf/30\\_nao\\_ha\\_desenvolvimento.pdf](http://www.kepa.fi/palvelut/julkaisut/taustaselvitykset/pdf/30_nao_ha_desenvolvimento.pdf)

### Civil society enriches procurement debate

The Task Force on Procurement, part of the OECD-hosted Working Party on Aid Effectiveness, met in Nairobi on May 3-5, for the first time after the Accra High-Level Forum on Aid Effectiveness.

More than fifty experts and practitioners from donor and recipient countries and international organizations attended. Civil Society Organisations, coordinated by BetterAid, formally participated for the first time.

Strengthening and using recipient country procurement systems is a key commitment under the Paris Declaration and the Accra Agenda for Action, and at the meeting CSOs repeated the call made by BetterAid at the HLF in Accra in 2008, stating that public procurement systems should be more accountable, not more liberalized. CSOs also highlighted the need for an enabling environment for CSOs to fulfil their roles as watchdogs of the public procurement process to fight corruption and favoritism, but also as stakeholders and representatives of citizens' interests.

Public procurement constitutes the lion's share of government spending. It is key for effective delivery of public services to the people and promoting development. CSOs also stressed that value for money in pmust be measured in poverty eradication results. Due to failures of liberalized markets in achieving optimal outcomes for the poor, governments should take social and environmental criteria directly into account in order to ensure maximal development effectiveness of all government spending.

Bodo Ellmers, Eurodad [www.eurodad.org/whatsnew/articles.aspx?id=4140](http://www.eurodad.org/whatsnew/articles.aspx?id=4140)

### G20 Summit

Toronto, 26 and 27 June  
[www.g20.gc.ca/toronto-summit/](http://www.g20.gc.ca/toronto-summit/)

### G8 Summit

Ontario, 28 June – 2 July  
[www.g8.gc.ca/home/](http://www.g8.gc.ca/home/)

### UN-DCF Forum Plenary

New York, 29 and 30 June  
[www.un.org/en/ecosoc/newfunct/2010dcf0.shtml](http://www.un.org/en/ecosoc/newfunct/2010dcf0.shtml)

### Featured website

[www.aiddata.org](http://www.aiddata.org)  
AidData is a new online resource that seeks to describe the universe of development finance-project by project.

## CSO events

### Interaction Forum workshops

Washington D.C., 2 - 4 June  
[www.interaction.org/forum](http://www.interaction.org/forum)

### EU AidWatch Report launch

Brussels, 10 June  
[www.concordeurope.org](http://www.concordeurope.org)

### IATI signatories and steering committee meetings

Paris, 7 July  
[www.aidtransparency.net/](http://www.aidtransparency.net/)

### The Open Forum consultations

will be happening through to July 2010. A schedule of the consultations is available at [www.cso-effectiveness.org](http://www.cso-effectiveness.org)

### The Reality of Aid country

**consultations**, which will inform BetterAid policy positions, will be taking place throughout the second half of 2010. Keep checking the BetterAid website for more information.

## Official events

### UN-DCF High Level Symposium: focus on Policy Coherence in Development, Gender and Mutual Accountability

Helsinki, 3 and 4 June  
[www.un.org/en/ecosoc/newfunct/dcfhelsinki10.shtml](http://www.un.org/en/ecosoc/newfunct/dcfhelsinki10.shtml)

## UPDATE FROM THE BETTERAID COORDINATING GROUP

BetterAid is a civil society open platform that has been working on development cooperation and challenging the aid effectiveness agenda since January 2007. After the High Level Forum 3 organised by the Organisation for Economic Cooperation and Development (OECD) in September 2008 in Accra, BetterAid became a formal member of the OECD Working Party on Aid Effectiveness and expanded its Coordinating Group – BACG. The overall mandate of the BACG is to strengthen the global BetterAid Platform to coordinate and facilitate (at the international level) the engagement of Civil Society Organisations (CSOs) promoting reforms in international cooperation for development and aid effectiveness, and to move towards a more equitable multilateral forum for development effectiveness cooperation in the 2011 agenda.

This year, BetterAid is leading many of the civil society activities (including in-country consultations, studies and monitoring) in the lead up to the fourth High Level Forum on Aid Effectiveness (HLF4), to be held in Korea on 29 November – 2 December 2011.

So far this year BetterAid has launched a policy paper on *Development Cooperation: Not Just Aid*, and a policy paper on South-South Development Cooperation which was launched at the High Level Event on South-South Cooperation and Capacity Development in Bogota, Colombia, in March 2010, together with a BetterAid statement in response to the official statement of the High Level Event.

BetterAid will participate in the 2nd biennial high level Development Cooperation Forum (DCF) at the United Nations (UN) in New York at the end of June 2010, where the platform will organise one CSO side event and contribute to the debate on development effectiveness from a CSO perspective. BetterAid will also take part in the preparatory UNDCF High Level Symposium in Helsinki on “Coherent Development Cooperation: Maximizing Impact in a Changing Environment” earlier the same month.

Later in the year BetterAid will launch a policy paper exploring Development Effectiveness from a human rights perspective, to coincide with the meeting of the OECD Working Party on Aid Effectiveness in October in Paris. A further policy paper exploring proposals to transform the development cooperation system from a civil society perspective will also be developed.

On the communications front BetterAid has launched its bi-monthly newsletter and in June BetterAid’s new website will be launched.

## UPDATE FROM THE OPEN FORUM

The Open Forum for CSO Development Effectiveness is a unique space for CSOs (Civil Society Organisations) to engage on a process to improve their own development effectiveness and to develop minimum standards for an enabling environment where CSOs can fully apply and strengthen their specific roles in development.

The Open Forum has had a busy first half of 2010! The Open Forum Consultations started with a series of regional seminars in Bangkok (November 2009), Lima (December 2009), Nairobi (January 2010) and Vienna (March 2010) to identify national organisations to lead the country consultations in these regions.

**Reports from these seminars, and the consultation toolkit, can be found on the Open Forum website: [www.cso-effectiveness.org/-regional-training-seminar,053-.html](http://www.cso-effectiveness.org/-regional-training-seminar,053-.html).**

After concluding these regional seminars, the Open Forum National Consultations are now underway, and consultations have already taken place in several countries around the globe. The majority of these consultations will be happening through to July 2010, and a schedule of Open Forum consultations happening around the world is available at: **[www.cso-effectiveness.org/-schedule-of-consultations,006-.html](http://www.cso-effectiveness.org/-schedule-of-consultations,006-.html)** The reports of these consultations will also be made available on the Open Forum website, so be sure to keep checking the site for more information, or sign up to receive the Open Forum newsletter to keep on top of all the most recent developments!

The preliminary outcomes of the Open forum Consultations will be presented at the first Open Forum Global Assembly, which will be taking place in Istanbul, Turkey during the week of September 27 to 30, 2010. Please save the date, and watch the Open Forum website and other CSO forums for the soon-to-be-available information on how to register to attend the Global Assembly.

**You can also follow the Open Forum on Facebook: join our Fan Page ([www.facebook.com/#!/pages/Open-Forum-for-CSO-Development-Effectiveness/106272822740128?ref=mf](http://www.facebook.com/#!/pages/Open-Forum-for-CSO-Development-Effectiveness/106272822740128?ref=mf)) to keep up to date on the latest publications, updates and events of the Open Forum!**

**Amy Bartlett, Open Forum for CSO development effectiveness**

## REPORTS

### BetterAid

An assessment of the Accra Agenda for Action from a civil society perspective  
[www.betteraid.org/index.php?option=com\\_content&task=view&id=248&Itemid=26](http://www.betteraid.org/index.php?option=com_content&task=view&id=248&Itemid=26)

### Canadian Council for International Cooperation

A Time to Act: Applying a Human Rights Approach to Canadian Aid  
[www.ccic.ca/what\\_we\\_do/aid\\_liability\\_act\\_report\\_e.php6](http://www.ccic.ca/what_we_do/aid_liability_act_report_e.php6)

### Eurodad

Procurement and Development Effectiveness - A Literature Review  
[www.eurodad.org/whatsnew/reports.aspx?id=3956](http://www.eurodad.org/whatsnew/reports.aspx?id=3956)

For whose gain? Procurement, tied aid and the use of country systems in Ghana

[www.eurodad.org/whatsnew/reports.aspx?id=4061](http://www.eurodad.org/whatsnew/reports.aspx?id=4061)

Targeting Development? Procurement, tied aid and the use of country systems in Namibia

[www.eurodad.org/whatsnew/reports.aspx?id=4021](http://www.eurodad.org/whatsnew/reports.aspx?id=4021)

Report of the Southern Aid Effectiveness Commission: Assessing reform constraints in the North

[www.eurodad.org/whatsnew/reports.aspx?id=4097](http://www.eurodad.org/whatsnew/reports.aspx?id=4097)

### Oxfam International

21st Century Aid- Recognizing success and tackling failure

[www.oxfam.org/en/policy/21st-century-aid](http://www.oxfam.org/en/policy/21st-century-aid)

### Intermon Oxfam

The Reality of Aid 2009: An independent evaluation of development politics and aid in a time of crisis.

[www.intermonoxfam.org/es/page.asp?id=377](http://www.intermonoxfam.org/es/page.asp?id=377) (in Spanish)

### Association for Women’s Rights in Development (AWID)

10 Sub-Regional Briefs: The Impact of the crisis on Women

[www.tiny.cc/5s6s9](http://www.tiny.cc/5s6s9)

FundHer Brief 2008: Money Watch for Women’s Rights Movements and Organizations

[www.tinyurl.com/332jkt4](http://www.tinyurl.com/332jkt4)

### Watch out for...

...the AidWatch report 2010- to be launched on June 10th.

[www.concordeurope.org](http://www.concordeurope.org)