

**Aid effectiveness and development paths in the Arab region**  
**Key Demand Raised by a Number of Civil Society Groups from the Arab Region**

**In the course of the Effectiveness of Aid and Preparation for the Fourth High-Level  
Forum on Aid Effectiveness**

(November 2011)

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The Fourth High-level Forum on aid effectiveness will be held in Busan, Republic of Korea, from November 29 to December 1, 2011, in the midst of a historical phase that the Arab region is passing through, which is changing the political, as well as social and economic context and realities of various countries in the region. The forum will be the first stage in the aid effectiveness processes, involving civil society organizations as a full partner. The Busan Forum will include an evaluation of the Paris Declaration and of Accra Agenda. Governments and stakeholders meeting in Busan are expected to arrive at a consensus agreement on a new vision for the foundations that will organize and institutionalize the issue of international cooperation for development. This vision should be comprehensive, just, and responsive to the priorities of different countries and community groups, including women's rights, justice, and gender. The United Nations should be the main forum and the common platform to pursue this path.

Within this context, and along support for the key messages and proposals raised by the Better Aid network and Open Forum for CSO Development Effectiveness, the undersigned organizations raise the points outlined below under four main headlines, including:

- The effectiveness of aid in the region is witnessing a historic shift and demand for a just alternative development;
- Review of international development approaches: aid at the service of the democratization of development;
- Adjusting aid to support democratic transitions, and not to limit the national policy space for economic and social policy-making and;
- Mobilizing sources for development in developing countries and cooperation among them

The included messages are directed towards the conveners in Busan, including representatives of governments, businesses, and civil society. The statement is presented to stakeholders at the national level, including responsible governmental officials and institutions.

## **(1) The effectiveness of aid in the region is witnessing a historic shift and demand for a just alternative development**

The Arab region is going through a historical phase, as it is witnessing peoples' revolutions and uprisings that led to the fall of ruling regimes in Tunisia, Egypt, and Libya and to radical political changes in a number of other countries in the region. Besides the demands of political reform, these revolutions and uprisings have brought forward fundamental questions about the development model and economic and social policies adopted and implemented in the Arab region, part of which is the role of the international aid architecture and development aid in this model.

While the economic conditions in countries of transition such as Egypt, Tunisia, and Libya is under stress during the transition phase, it is essential to note that the economic and developmental transition in the long term requires a vision to rebuild the economic and development model in each of these countries to give priority to the right of peoples to development and justice. Therefore, the current critical situation should not be used as a pretext to re-enforce the model that previous regimes had established, through the use of mechanisms of international aid and finance that is associated with policy conditionalities. It is evident that such models established by the former regimes do not serve the priorities, rights and developmental needs of the peoples, and has led to the persistence and deepening of poverty and unemployment, inequalities and disparities in many areas.

The support of economic growth must be rooted in the support of peoples' choices to reconsider the economic and development model, whereby productivity, redistribution, and decent work and fair wages would be a priority. To serve these goals, established trade and investment agreements should be reviewed, in addition to mechanisms in place for receiving international aid and financial assistance and the ways it has been used.

We have witnessed since the outbreak of revolutions in the Arab region an attempt to restrict the process of the review of the economic system, through promoting orthodox economic formulas by international financial and development institutions. Such policy advice is often associated with aid and financial flows proposed for the region. Such conditioned aid allocated under the umbrella of supporting the revolutions must not restrict the paths of democratization or form barriers for the revolutions' objectives to achieve social and economic justice. It is important to avoid imposing the orthodox economic recipes, which contributed to the impoverishment and lack of justice under the previous regimes, and that came along with conditional aid and partnerships that was promoted the labels of supporting democracy and development in the Arab countries. The change sought by the peoples of the region will not be served by additional conditional aid based on economic recipes that further push liberalization of trade and investment, rolling-back the role of the state, and limiting policy space.

It is important to stress the importance of directing development aid in areas of conflict and occupation to serve the rights of the peoples' to self determination and supporting their resilience through developing a comprehensive development vision that prioritizes conflict resolution, peace building and civic peace that is just and comprehensive, and avoiding any political conditionality of association of the aid. This necessitates moving from a humanitarian approach to a development approach that ensures protection and respect of the rights of various local communities at various levels of intervention.

## **(2) Review of international development approaches: aid at the service of the democratization of development**

The global economic crises world clearly show the importance of reviewing the development paradigm that is centered thus-far on economic growth, first by linking growth to a productive capacities generating jobs and economic opportunities, as well as a sustainable re-distribution of wealth to various regional, sectoral, age and gender groups and, secondly, through the adoption of a comprehensive set of indicators that reinforce economic and social rights, including the right to development. In this context, it is necessary to reconsider the structure of international cooperation and development assistance, including the role of international institutions sponsoring this architecture.

### **Role of financial and development institutions**

These institutions often play a core role in terms of determining the principles and frameworks that govern international development interventions. While the world is still suffering from the repercussions of the global crises, it seems essential to assess the role of the international aid system in its institutional configuration. The experiences of multilateral financial and development institutions, including the International Monetary Fund, World Bank, regional banks such as the African Development Bank, European Investment Bank, reveal clear gaps in terms of development value added achieved and transparency and democracy of the mechanisms established. The majority of interventions by these institutions lack evaluation of development outcomes, and have often failed in servicing the aspirations of the peoples in the beneficiary countries or in achieving their own development objectives and rights.

It is essential to address the transparency of aid and further clarity on its nature and objectives, through the involvement of all parties concerned in the recipient countries, in determining the contents of the related agreements, determining their category, whether loans or grants, and participating in the mechanisms for dissemination and allocation to various economic sectors. It is also important as well to establish mechanisms to assess the development and rights enhancing outcomes of such assistance, in terms of reducing poverty and creating job opportunities and supporting democratic processes (including the provision of

information about such assessment studies and mechanisms, allowing for the full participation of the groups and communities involved and impacted by the aid and the investments associated with it).

### *Expansion from the approach of aid effectiveness to development effectiveness*

It is necessary to link the path of aid effectiveness with international processes of development and human rights, such as the Millennium Development Goals and the path of Rio for sustainable development, especially that a hindrance of these two tracks confirms the existence of a fundamental problem in the international approach to development and to the ways of mobilizing international cooperation and aid in order to achieve progress in these areas. In this context, it is necessary to emphasize the importance of the transition from aid effectiveness to development effectiveness, that is rooted in a human rights approach that addresses gender justice, decent work, environmental sustainability, and national democratic ownership of the development paths that guarantee the participation of various stakeholders, including civil society organizations in their various forms, development and human rights organizations, syndicates, women's groups and others.

### **(3) Adjusting aid to support democratic transitions, and not to limit the national policy space for economic and social policy-making**

The democratic transformations in the Arab region raise fundamental questions about the role of international aid and the ways of mobilizing and using it. Indeed, the post-revolutions governments in the Arab region are facing huge developmental challenges. Although many donor institutions have taken initiatives towards the Arab countries, none present a critical revision of the kind and norm of relations and developmental cooperation that was established with previous regimes and that proved a failure in these countries.

- It is important to emphasize the negative implications of any policy conditionality associated with development aid, and the need to maintain the struggle against conditionality and tied aid, as stated in the Paris Declaration and the agenda of Accra, especially in the case of countries suffering from conflicts, occupation, or crises. Development aid to these countries is often associated by political conditions imposed on them at a time they are the most vulnerable. Since the case of fragile states will be discussed in the Busan Forum, it is important to stress the need to enhance and strengthen national systems and institutions in the beneficiary countries and its capacity for monitoring, planning and accountability. In this regards, governance ought to be stressed and approached from a development perspective and not technical approach, thus enforcing governance as a democratic participatory process that results in cooperation frameworks.

- Conditionality is associated with trade and investment agreements. It links aid to obligations that may seem separate, but has a close connection with the course of development. Indeed, the interdependence of the financing sources for development is not limited to the theoretical dimension; it is a reality. A large part of aid comes through soft loans linked to trade and investment agreements impose that enforce obligations on developing countries. Therefore, addressing effectiveness of aid should be linked to the process of reviewing the legitimacy of the debt of developing countries and the development value of trade and investment agreements undertaken by these countries. These realities should have special implications in the countries engaged in the path of democratic transformation, as the peoples and new governments of these countries find themselves burdened with the obligations of the previous undemocratic regimes, which have been heavy with corruption in the decision-making mechanisms.
- There must be an expansion of the discussion, from the principle of national ownership to that of democratic ownership, which enforces the participation of various stakeholders in the development process and in decision-making and building development strategies that determine the frameworks for the systematic and sustainable use of aid. In the context of democratic transitions in the Arab region, it is necessary to address the legality of the commitments taken by the previous undemocratic regimes, of which the peoples still bear the substantial consequences in those countries. Therefore, the debate must be expanded on policy conditionality to include a review of the agreements in force in these countries, including debt agreements, trade agreements and investment.
- International development assistance should be allocated for the realization of the principles of social and economic justice, and for the benefit of the public good, based on the national economic and social vision in the beneficiary countries, which are supposed to evolve based on democratic and participatory paths led by democratically elected governments and involving all stakeholders, including civil society organizations.
- Civil society organizations are full partners in the development process, including developing, evaluating, questioning, and monitoring policies. Civil society has a major role as a source for visions and ideas in support of public policy processes as well as development interventions.

#### **(4) Mobilizing sources for development in developing countries and cooperation among them**

The Arab region is rich with multiple natural resources, including oil in some countries, particularly some of the poorest ones. But it is also to be noted that these countries have often wasted their resources or have seen groups of individuals in power getting hold of these resources, thus channeling from the public developmental project and to private interests. It is important to review the system of control and management of national resources in developing countries and work on democratizing the mechanisms in order to benefit from public resources in order to achieve the rights of the people.

While a major responsibility lies on the official authorities and institutions, the foreign investing companies also bear responsibility, not only in the processes of obtaining concessions to exploit these resources, but also in the methods of exploitation that are often not associated with development projects. Therefore, in the context of expanding the space of the private sectors at the Busan Forum, the issue of the role of foreign companies must be raised and stressed, especially the multinationals, and particularly those concerned with investment in the natural resources of developing countries, in the application of the principles of development and aid effectiveness, especially those related to transparency and accountability and responsibility, as well as commitment to human rights, justice and environmental sustainability. Such companies are demanded to commit to linking their investments to development priorities of the beneficiary country, in addition to ensuring the participation of local groups in the areas of investment in the different stages of the investment. In this context, it is important to commit to evaluation studies based on the human rights and development approach for any investment, before and after the implementation, and with the full participation of affected stakeholders.

Benefiting from the resources of the developing countries themselves is not limited to the internal resources of the countries, but also raises the issue of cooperation between the countries of the South. Hence, the importance of common effort between developing countries, including governments and civil society, to discuss ways of cooperation, in order to establish partnerships beyond the narrow scope of assistance and towards establishing institutionalized and sustained pathways and mechanisms for cooperation, which is aligned with the principles of national ownership, transparency, and accountability.

## **Participating Organizations**

### **Regional Consultation on CSO Development Effectiveness**

#### **Preparation to Busan**

Beirut, Lebanon

November 15, 2011

Arab Association for Disabled. Lebanon

Arab NGO Network for Development. Lebanon

Association Najdeh. Lebanon

Bahrain Transparency Society. Bahrain

Center for Media and Training on Human Rights. Sudan

Coptic Evangelical Organization for Social Services. Egypt

Development Action Without Borders (Naba'a). Lebanon.

Egyptian Association to Enhance Civil society Participation Enhancement. Egypt

Espace Associatif. Morocco

Iraqi Al Amal. Iraq

Jordanian Woman Union Open Forum. Jordan

Lebanese Association for Popular Action (AMEL). Lebanon

Nahwa Al Muwatiniya. Lebanon

NGO Platform of Saida (Tajamoh). Lebanon

No Corruption-The Lebanese Transparency Association. Lebanon

Palestinian Arab Women League (PAWL). Lebanon

Palestinian NGO Network. Palestine

Palestinian Organisation for Human Rights. Lebanon

Sama for development organization. Lebanon