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# The implementation of the Busan Principles within EU development assistance to Kyrgyzstan

**Liga Rudzite**

Tallinn University of Technology

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# **The implementation of the Busan Principles within the EU's development assistance to Kyrgyzstan**

## **Executive summary**

Development cooperation is a complex policy field. Its goals and objectives are often disputed. The outcomes of theory-practice interaction are unpredictable and change dynamically over time and geographies. Hence the frequent critique of the development sector's inability to deliver on the development aims and objectives. An approach developed and agreed upon by the international donor community is the implementation of *Busan Principles for Effective Development Cooperation* within development programming and projects.

Kyrgyzstan, an aid responsive low-income country, has been a long-time recipient of the generous EU's development cooperation assistance. Yet project reports, programme impact evaluations and interviews with beneficiaries question the lasting impact of the EU's contribution to Kyrgyzstan's social, economic, environmental and political development.

This policy paper examines the adherence to Busan principles of EU policy planning documents and accounts of implementation of EU-financed projects in Kyrgyzstan. It argues that aid should be increased. It should specifically target local civil society groups and focus on improving their capacity to take part in political and policy processes related to the planning and implementation of development cooperation assistance. Ultimately this would contribute to improve democratic ownership of aid. It also recommends the development of a solid mechanism for assessment of environmental, social, political and economic impacts of programmes and calls for the analysis of aid's wider implications for human and environmental conditions. Finally, the policy paper urges EU policy makers to apply the *Policy Coherence for Sustainable Development* approach to all policies that might have an impact on countries outside of the EU.

## **Introduction**

Since the collapse of the Soviet Union, Kyrgyzstan has practiced a rather open policy towards international aid. Being highly "aid responsive", it has also become an aid dependent country. In the late 1990's the country had one of the highest development aid – GNI ratio in the world. At the same time, Kyrgyzstan is considered to be a lower middle income country. The overall social and economic indicators have been deteriorating during the 2000's, leaving about 40% of the population living in poverty as of 2010.<sup>1</sup> The country also ranks very high, 123 out of 168, in the Transparency International Corruption Perception Index.<sup>2</sup>

Kyrgyzstan's example clearly illustrates that the amount of aid received does not directly translate into improvement of social, environmental, economic and political indicators. Thus, we must look more closely into the factors that can contribute to achieve development aims and how these objectives are put to practice. The central principles guiding current development policy programming and implementation are

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<sup>1</sup> [http://www.donors.kg/upload/docs/reports\\_and\\_studies/ADB-2008%20Factsheet-Eng.pdf](http://www.donors.kg/upload/docs/reports_and_studies/ADB-2008%20Factsheet-Eng.pdf)

<sup>2</sup> <http://www.transparency.org/cpi2015#map-container>

set out in the *Busan Partnership for Effective Development Co-operation*.<sup>3</sup> Aiming at the eradication of poverty and inequalities within states, globally and in all their forms, the *Partnership* identifies the following criteria as crucial for effective development cooperation: **ownership, partnerships of all development actors, focus on results, transparency and shared responsibility**. It also mentions the necessity to foster an enabling environment for civil society.

This policy paper begins to examine to what extent the EU's financed development cooperation efforts in Kyrgyzstan adhere to the Busan principles. It outlines a set of recommendations for improving the context-specific programming of aid in the future. The brief is based on analysis of available policy documents for the programming of EU development cooperation projects in Kyrgyzstan, available descriptions and reports of implemented projects, and impact-assessment reports. The policy paper also draws on eight interviews with civil society organization (CSO) representatives in Kyrgyzstan conducted during a preliminary field visit to Bishkek and Osh in January 2016.

### **Background of EU's development cooperation assistance programming for Kyrgyzstan**

Recent years have brought some turbulence in the very diverse landscape of donors in Kyrgyzstan. While donor support rose from China and Russia, certain policies and government actions were limiting the work of other donors present in the country. For example, Kyrgyzstan denounced the Cooperation Treaty with the USA, while pushing forward a bill that would label all CSOs receiving international funds as “foreign agents”<sup>4</sup>. The EU, however, has, over years, remained a dedicated development partner to Kyrgyzstan. Kyrgyzstan's partnership with the EU draws on the 1999 *Partnership and Cooperation Agreement*, further elaborated in the *European Union and Central Asia: Strategy for a New Partnership in Action*.

The 2015 Council Conclusions on the EU Strategy for Central Asia<sup>5</sup> reiterated EU commitment for continuous cooperation with Central Asia as a region of strategic importance to EU politics. These commitments are at the core of the *Multi-Annual Indicative Programme for the Kyrgyz Republic 2014-2020*<sup>6</sup>, which lays the ground for the distribution of funding through development instruments. These include the *European Instrument for Democracy and Human Rights* and the *Development Cooperation Instrument* through geographic and thematic programmes.

The action plan for EU assistance to Kyrgyzstan revolves around five priority areas set out by the Kyrgyz government's development strategy 2012-2014: civil society and local authorities, good governance and human rights, agriculture and food security, education and public finance management. Overall EU assistance to developing countries should be programmed around the Busan principles for effective development cooperation.

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<sup>3</sup> <https://www.oecd.org/dac/effectiveness/Busan%20partnership.pdf>

<sup>4</sup> The bill was dismissed in May 2016.

<sup>5</sup> <http://data.consilium.europa.eu/doc/document/ST-10191-2015-INIT/en/pdf>

<sup>6</sup> <https://eeas.europa.eu/sites/eeas/files/mip-2014-2020-kyrgyzstan-20140814.pdf>

## Key Findings: Adherence to Busan Principles

- ***Ownership and opportunities for partnerships of all development actors***

In most policy documents, the EU states its appreciation for the involvement of CSOs in policy dialogue, steering committees of projects, recommendations drafting etc. However, a closer look at EU practices suggests little intention to cooperate directly with local CSOs and support their operational capacity. Rather, EU institutions prefer to engage with local organisations as implementing bodies of projects led by international NGO's. The *European Instrument for Democracy and Human Rights* seems to be the only EU instrument aimed at strengthening capacities of the CSOs. However, even in this instance, the amount of funding on offer targets large-scale projects and, thus, it is not feasible for smaller and local CSOs. The EU's strive towards new managerialism and the quest for efficiency in non-governmental sector<sup>7</sup> has sidelined smaller CSOs' access to funding opportunities. With few exceptions, they are seen in large part as providers of (unpaid) consultations and remain without support for their operational capacity that forms the core of their expertise.

The *EU Country Roadmap for Engagement with Civil Society in Kyrgyzstan 2014-2017*<sup>8</sup> highlights important issues faced by CSOs. It is concerned with the shrinking opportunities for CSOs to engage with the governing bodies and society, as government policies are increasingly limiting their right to freedom of assembly. The roadmap also notes that CSO leaders do not feel safe while pursuing their work in various regions of the country, especially when working in the areas of gender issues, human rights and LGBTI rights – which fall under the priority area of the EU's assistance. With a lack of state funding, most CSOs rely on support from the international funders which, however, is in decline.

Interviews with local CSOs in Bishkek and Osh revealed another key concern for civic sector representatives in the increasing tendency to allocate more funding in the form of direct budget support to Kyrgyzstan<sup>9</sup>. As a result, the opportunities of support for NGO's are further decreasing. For instance, the Court of Auditors' evaluation for EU programs in Central Asia (2013)<sup>10</sup> calculated that about 27% of assistance was disbursed in budget support, while only 17% is channelled in support for NGOs, international and local. Currently the largest EU-financed project in the area of the education sector's reform is implemented via direct budget support to Kyrgyzstan.<sup>11</sup>

These dynamics contribute to diminish civil society's sense of democratic ownership of aid, increasing the distance between donors and beneficiaries. For example, an examination of the long-term benefits of EU- supported TACIS-SME<sup>12</sup> development

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7 For example, DEAR calls for proposals distribute increasingly large sums of financial support to increasingly large consortiums of development partners that only increasingly large organizations have the capacity to manage.

8 [https://eeas.europa.eu/sites/eeas/files/2014\\_09\\_24\\_cs\\_roadmap\\_final.pdf](https://eeas.europa.eu/sites/eeas/files/2014_09_24_cs_roadmap_final.pdf)

9 The 9.12.2015. Commission implementing decision allowed the Kyrgyz Republic to be financed from the general budget of the EU, provisioning that the funding should go to electoral reforms process and reforms within the education sector.

10 [http://www.eca.europa.eu/Lists/ECADocuments/SR13\\_13/QJAB13014ENN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR13_13/QJAB13014ENN.pdf)

11 [http://ec.europa.eu/europeaid/case-studies/support-reform-education-sector-kyrgyz-republic\\_en](http://ec.europa.eu/europeaid/case-studies/support-reform-education-sector-kyrgyz-republic_en)

12 Ozcan, G.B. (2016) A Critique of Business Development Assistance in the Kyrgyz Republic. *International Development and Cooperation Review* 8:3, pp. 45-73

projects highlighted these factors as a hindrance to projects' success. Little has changed since the publication of the report.

- ***Focus on results and shared responsibility***

The Court of Auditor's evaluation highlighted another shortcoming in the lack of a clear mechanism for results-assessment. This is also visible in the aforementioned *Council Conclusions on the EU Strategy for Central Asia* which foresee regular evaluation of programmes, but do not state the evaluation criteria, nor its scope. Development assistance programmes should be seen as complex interventions impacting environmental, social, political and economic realms within the recipient countries and communities. The lack of comprehensive and clear mechanisms for results and impact-assessment may obscure the impact that interventions in one sphere may have on others.

Furthermore, in terms of shared responsibility, policy documents lack any mention of the Policy Coherence for Sustainable Development (PCSD), a mechanism which places the responsibility also in the hands of policy makers within the EU to make sure that EU policies in other fields than development do not have negative impact on development objectives. Within this logic, for example, EU biofuel policy should not serve as an incentive for land-grabbing in countries that rely on EU aid<sup>13</sup>. Incoherent policies that on the one hand pursue development goals and on the other hand hinder them, waste the scarce funding available for development.

The lack of adequate mechanisms for results assessment and the presence of incoherent policies might also work to compromise the transparency of aid funding, contributing to diminishing trust in development cooperation and its effectiveness.

### **Implications for EU policy makers**

The Busan Principles for Effective Development Cooperation are an important mechanism that ensures the democratic ownership of development cooperation and assistance. They advocate the redistribution of power which is central for poverty eradication and lessening inequalities. In order to fully align the EU's development policy in Kyrgyzstan and its implementation with these principles this study provides the following recommendations:

- Aid must be further increased, keeping it at levels where it can deliver impact.
- Civil society needs to be supported and involved in both political and policy processes in the planning and implementation of aid. This means going beyond tokenistic approaches to their involvement in consultation processes.
- Support instruments should acknowledge the diversity of civil society actors. Any attempts at effectiveness should embrace uncertainty in aid management and aim at strengthening civil society groups and organizations that form the local social capital, rather than corporate CSOs.
- Programmes' results should be assessed based on complex evaluations of their environmental, social, political and economic impacts.
- EU policy makers should enforce shared responsibility for development through PCSD, as well as ex-ante and ex-post evaluations of all policies with possible impacts on countries outside of the EU.

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13 <https://concordeurope.org/2013/08/29/spotlight-on-eu-policy-coherence-for-development-the-real-life-impact-of-eu-policies-on-the-poor-chapter-3/>