

d.i.e

Deutsches Institut für  
Entwicklungspolitik



German Development  
Institute

## Two-Speed Aid Effectiveness

By Dr. Stephan Klingebiel and  
Stefan Leiderer,  
German Development Institute /  
Deutsches Institut für Entwicklungspolitik (DIE)

# The Current Column

*of 5 December 2011*

## Two-Speed Aid Effectiveness

Bonn, 5 December 2011. The Busan Summit (29. November to 1. December), which was nearly shipwrecked by China's interim refusal to sign the final declaration, had to resolve a basic dilemma. The first challenge was that of maintaining the momentum of the effectiveness (i.e. *aid effectiveness*) agenda of past years. Both of the preceding high-level meetings for more effective aid in Paris (2005) and Accra (2008) were in fact able to adduce results consisting in mutual and above all concretely verifiable obligations of the aid partners. However, especially the donors are still struggling to meet the commitments made, for instance when it comes to yielding full responsibility for programme implementation to the partner side. .

The second challenge consisted in getting new actors involved, because what is true of development policies is also recognizable regarding other international topics: the framework conditions change with racing speed, and in some cases so quickly that the political actors can no longer react appropriately. With respect to aid, these changes consist not least in the fact that many new donors, like the economically successful Asian states and private foundations (like the Bill and Melinda Gates Foundation), are gaining in importance, so that those in the 'traditional' group of OECD donors carry palpably less weight – not least from a financial point of view. For quite understandable reasons, on the other hand, these new actors do not wish simply to tag along with obligations and procedures which - from their point of view - are dominated by the Western donors. Accordingly, the issue in Busan was to effectively integrate these new actors and relationships into a viable aid effectiveness agenda for the future.

In the language commonly used in European integration politics, this double target might be paraphrased as a dilemma between "deepening" and "enlarging". What could the Busan Summit achieve against this backdrop? Is there any innovation that will still be relevant two or five years from now? The results are univocal in one respect above all: they can be interpreted as the draft of a new international aid architecture. This draft is

based less on a self-contained plan showing what a future structure might look like; rather, it offers reference points for conducting debates about a more effective form of aid in future. It is becoming clear that there will be "two speeds" in future: the group of donors, which will continue to adhere closely to the obligations assumed in Paris and Accra and wishes to implement and advance the existing agenda for more effective aid with passionate commitment, would then be the "fast group" – including donors such as the UK, which was for long the model pupil, even though it has more recently lost a good deal of headway and lustre.. Individual statements of the Busan Declaration already refer only to such partners to the agreement that have already been involved in the past.

In contrast to this, the second group of donors feels itself obligated not at all or only in part to the previous and new pledges. This can have various reasons. So-called new donors like Brazil, India and China can with some justification claim for themselves that the EZ discussion forums reflect the old "North-South structures" and that efforts at modernisation to date have not been all too convincing. Possibly to be added in practice to this second group, however, are donors - for example France, the US and Japan - who to date have been reluctant to join the aid effectiveness agenda of Paris and Accra.

How are the Busan results to be evaluated against this background?

### The optimistic view...

On the positive side, the results of the Busan Summit can be interpreted as meaning that the actors involved there succeeded with the concluding document in sketching a new, broader framework for a development partnership which integrates the new actors and new cooperation relationships without releasing the "traditional" signatories of the Paris/Accra agenda from the obligations already incurred by them. In this sense, the signatories explicitly declare their allegiance to a continued implementation of the respective

individual obligations. At the same time, the concluding document of Busan formulates a number of new, "softer" principles which also allow the new actors to join in the consensus. Thus a pragmatic but important first step is taken towards bringing these actors on board and integrating them into an on-going effectiveness agenda. This is incumbent on the new actors of the South, but also on governments in industrially developed countries which to date have behaved with reserve towards the Paris/Accra agenda or have at least shown a desire, after changes of government in Europe in recent years, to keep their distance at least politically from the obligations of their predecessors.

### **The sceptical view...**

The transition from a concept for a more effective form of aid to the concept of a broad-based *development effectiveness* bears the scent of the Busan Declaration. The parties to the agreement are aware that aid can naturally represent only a small part of the efforts at sustained development in the partner countries. It therefore follows that other political bodies and approaches as well must

be oriented in such a way that they achieve the maximum possible benefit for development. This thought is as simple as it is true. Nevertheless, it cannot yet be said with certainty that this represents progress. It has become evident regarding the previous obligations of Paris and Accra that although good and verifiable agreements were reached there, these have been implemented only inadequately. But does it therefore make sense in this situation in the interest of a broadly-designed new global partnership to lighten the pressure on the donors for taking care of their unfinished homework?

Whether in the final analysis the optimistic or the sceptical view is more accurate regarding the results of Busan depends first and foremost on the further steps - not least on the concrete implementation agreements which are to be submitted by mid-2012. For although Busan at this point is indeed only a model for a new aid architecture, it still remains devoid of clear course settings. A true link between the two central aims of "deepening" and "enlarging" the effectiveness agenda has thus still not been reached.



**Dr. Stephan Klingebiel**  
*German Development Institute /  
Deutsches Institut für  
Entwicklungspolitik (DIE)*



**Stefan Leiderer**  
*German Development Institute /  
Deutsches Institut für  
Entwicklungspolitik (DIE)*