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Development Policy on the Edge:

Towards a post-2015 global
development agenda

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Table of Contents

Acronyms	iv
1. Introduction	1
2. The global development policy context has changed fundamentally	1
2.1. Accelerated globalization – towards a global network society	2
2.2. Increasing complexity in a multi-polar, multi-stakeholder world	2
2.3. A widening scope – beyond poverty	3
2.4. The decreasing weight of official development assistance as a source of finance for development – beyond aid	4
2.5. The impact of global crises on international cooperation	4
3. What are the implications for development policy and practice?	5
3.1. Global leadership for development has shifted	5
3.2. An evolving global maze of multiple, multi-stakeholder partnership for development	6
3.3. An active role for the private sector in development cooperation	7
3.4. Moving from aid effectiveness to development effectiveness	8
3.5. Integrating development in international relations	8
4. Suggestions for the road ahead	9
4.1. Balance risks and opportunities	9
4.2. Create space for political dialogue	10
4.3. Cater to inclusive, sustainable globalization	10
4.4. Develop instruments and tools for ensuring the development effectiveness of partnerships	11
4.5. Provide tailor-made support	11
4.6. Move towards a distinctive donor focus	11
4.7. Make ‘South-South cooperation’ the norm	12
4.8. Invest in ‘global knowledge networks’ for international cooperation	12

List of Boxes

Box 1: Joint Africa-EU Strategy	6
Box 2: Africa: Growth is not enough	7

Acronyms

ACP	Africa, Caribbean and Pacific
BRIC	Brazil, Russia, India and China
ECDPM	European Centre for Development Policy Management
IMF	International Monetary Fund
MDG	Millennium Development Goals
NEPAD	The New Partnership for Africa's Development
ODA	Official Development Assistance
PCD	Policy Coherence for Development
PPP	Public Private Partnership
PSD	Private Sector Development
UN	United Nations

1. Introduction

At the start of the new Millennium, development actors organized a global consensus and adopted the UN Millennium Declaration. The Millennium Development Goals expressed a commitment to meet specific targets by 2015. This was very significant, as for the first time in history the fight against poverty was put forward as a global objective, a shared interest of all involved. Achieving the Millennium Development Goals became what development was all about.

However, little more than a decade into the new millennium the global development policy landscape has changed fundamentally and the development sector is pushed into a corner: not only by those who have always criticized it for being a rather ineffective self-perpetuating 'industry' but now also by those who feel it needs to completely overhaul itself in the light of new global challenges; as they say, development finds itself 'between a rock and a hard place'.¹

What happened? And what can be done? In this paper we suggest some answers to inform further discussion. We will first highlight briefly which global changes in our view affect development policy and practice most. Then, we will explore the implications of these changes and how it leads global actors to adopt a more politically driven global development agenda. Finally, we will consider some of the opportunities and risks involved in such an agenda.

We are aware that these few pages are at best a summary of what numerous people have expressed over the past five to ten years. In practice, many organizations have already adapted and will continue to renew and reposition themselves in order to remain relevant. However we also believe that this process of repositioning and reforming development policy and practice needs to increase its pace in order to remain relevant to today's world and today's global challenges. We do hope this paper provides a foundation to intensify this debate and help to bring out specific conclusions about what to do next, and of which some could be reflected on a post-2015 framework on global development. We believe effective action is of the essence for development cooperation to more precisely define its new role in global development.

2. The global development policy context has changed fundamentally

What are the global trends that have affected development policy and practice most? To answer this question, one cannot but first pay attention to the fundamental power shifts underway in the world today. Emerging economies, China, India and Brazil in particular have such an impact on world affairs today that global governance is being reshaped. Besides debates on reforming key international institutions, such as the United Nations Security Council, the World Bank and the International Monetary Fund (IMF), this has been demonstrated in the rise of the G20 as a world forum, as opposed to the traditional G8. Former Dutch Prime Minister Wim Kok - in his recent Willem Drees Lecture – concludes “...*that the balance of power in the world is shifting from West to East and that this process is not about to end soon*”.² This process, he insisted, does not only affect the relative global power of the European countries and also the United States, but also holds opportunities for the Netherlands in terms of export, trade and international

¹ Engel, Paul G.H., Desarrollo: ¿Entre la espada y la pared? In: Revista Solidaridad Internacional, no 61, Noviembre 2012

² Wim Kok, Willem Drees-lezing, October 1, 2012 (15): “Wij maken ons nog onvoldoende vertrouwd met het gegeven dat de machtsbalans in de wereld bezig is te verschuiven van West naar Oost en dat aan dat proces binnen afzienbare tijd geen einde komt.”

cooperation. Within this context of global change and opportunity, we identified five global trends that have increasingly challenged global thinking on development policy and practice.

2.1. Accelerated globalization – towards a global network society

Over the past decade the process of globalization has accelerated, pushed forward by the ongoing information revolution. It allowed capital and value chains to go truly global and people to act and move in novel ways; closely followed by the global media. For everyone to see, the Arab Spring illustrated again that the global society is a network society. As never before this network society provides permanent information access between local and global actors, enabling them to connect in new ways that make a real difference. A global information reservoir is developing, and in due time it will be accessible to most local and global actors. At the same time information is no longer considered as neutral and is increasingly questioned as a result of the increased polarisation in political systems, thus hampering opportunities for evidence-based policy making. Apart from providing new ways of socially organizing change – and fostering a new brand of social entrepreneurs – these local-global connections enable us to track products and services from their origin to their transactions and use, while contacts between financiers, suppliers, traders and consumers become increasingly direct in both legitimate and illicit trades.

This has brought at least two fundamental consequences for international cooperation: the first is that, whether we look at aid, trade, visa, security, education or health, banking or investment, both the impact and the underlying causes of global challenges are increasingly intertwined between East and West, North and South. Foreign policy, development policy and domestic policies are increasingly intertwined. In the words of the former European Commissioner for External Relations: *“the truth is these distinctions [between development and foreign policy, or foreign and domestic policy] are losing their meaning. Or perhaps we should say, they have already lost their meaning”*.³ The global North and its policies are part of the problems the world faces, rather than just party to the solutions, affecting the ‘moral high grounds’ from which donor countries traditionally operated. Secondly, the global network society provides civil society organizations and governments with the necessary tools to be more demanding towards actors that lack transparency in their transactions, such as the financial sector. An evolution who, in turn, compels donor countries to adapt their own regulatory systems and legislation.

2.2. Increasing complexity in a multi-polar, multi-stakeholder world

The rise of the emerging economies has brought about an increasingly complex and diffuse development context. Firstly China, India and Brazil have developed an increasingly significant presence in Africa. Other governments that do the same include Russia, Turkey, Korea and the Arab countries. Besides, new intergovernmental organisations, such as the African Union, NEPAD, and regional economic communities are acquiring new importance, particularly in Africa. By entering into global partnerships on concerns ranging from war, peace and security and the use of natural resources to global health, trade, food security and climate change, the relevance of these organisations has become unquestionable to the donor community. Next, many new private actors, commercial as well as non-profit have entered into the development scene, including large (sovereign) wealth funds; foundations; Global Funds managed by

³ The speech is available here: http://www.europa-nu.nl/id/vhf6lobvl6y5/nieuws/speech_benita_ferrero_waldner_menselijke?ctx=vgu719bwytoy&start_tab0=140

international institutions and, national and multinational companies; all of these in addition to the 'traditional' multilateral, bilateral and civil society development efforts already going on.

The diversification of development partners challenges developing countries to diversify and adapt, to deal with multiple, overlapping relationships and to create new spaces to address the specific concerns of these diverse partnerships. It prompted a series of attempts to improve donor coordination, country ownership and alignment with national strategies and administrative systems from the Paris Declaration on Aid Effectiveness in 2005, via the Accra Agenda for Action in 2008 to the Busan Partnership for Effective Development Cooperation in 2011. None of these declarations triggered widespread progress, but inspired by the African Tunis Consensus,⁴ Busan at last put developing countries themselves, with their own domestic resources, squarely in a leading role in promoting development.

2.3. A widening scope – beyond poverty

Already at the first five-year check point strong signals emerged that the MDG's were off-track, particularly in Sub-Saharan Africa. The UN Millennium Development Goals Stocktaking Conference and the WTO meeting in Hong Kong brought home the complexities of international development: none of the global goals would be achieved fully without an articulated international effort. It triggered a renewed reflection on the nature of poverty and what is needed to reduce it. Development actors became acutely aware that development gains are easily offset by losses due to the global trade or lack of security. Migration, people moving around in search of economic opportunities firmly entered the development agenda. Agriculture - the sector in which the vast majority of the world's poor tries to make a living - makes a strong comeback to the international cooperation agenda in 2008, with the World Development Report *Agriculture for Development*. In response to the volatility of global food prices and the looming food shortages in several developing countries, food security acquires a high priority. And of course, the 2009 Copenhagen Summit illustrates (again) that climate change will have a tremendous impact on developing countries and can only be tackled by global collective action.

As a result, formerly isolated international and domestic policies and practices were now cross-wired as never before between North and South, East and West and across areas of domestic and international policy. For example, donors launch Aid for Trade to deal with the development dimensions of international trade. Also emergency aid, peacekeeping and rehabilitation efforts could no longer be disarticulated from support for longer terms social, productive and institutional development processes. The '3D' approach emerges.⁵ And these newly combined efforts raise more and more questions with regard to policy coherence for development (PCD): are development objectives still leading in the allocation of resources to development?

⁴ The Tunis Consensus is available here: http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/Tunis_Consensus.pdf

⁵ Defense, Diplomacy and Development.

2.4. The decreasing weight of official development assistance as a source of finance for development – beyond aid

Over the past decade, private financial contributions have overtaken official aid. In 2005, the World Bank showed that official flows were down to half of the financial flows to Sub-Saharan Africa, while for all developing countries they had dwindled to a mere 9%.⁶ After a slump in 2008 and early 2009, net private capital flows to developing countries recovered strongly.⁷ In 2010 they were expected to reach USD 659 billion,⁸ more than 4 times what official development assistance was able to do. Remittances are estimated to total USD 327 billion in 2011.⁹

However, private financial flows are selective, they do not reach all developing countries equally. In 2003, some 27% of foreign direct investment reached developing countries, but only 3% reached the low-income countries, and remittances of course only reach those countries whose citizens live abroad in considerable numbers. In 2011 still less than 10% of USD 600 billion of net private flows to developing countries goes to Africa.¹⁰ Malvina Pollock and Ibrahim Levent point out that “*aggregate net capital flows to developing countries mask a striking difference between what is happening in the BRICs and what is taking place elsewhere in developing countries*”. And even between the BRICs huge differences occur: “*And China is the dominant member within the BRICs. Between 2005-2010 it received half of the net capital flows to the group with the other half divided evenly between the remaining three BRICs*”.¹¹

The above illustrates that, while non-aid capital inflows to developing countries rapidly outgrow the importance of aid, they do not automatically translate into local businesses and jobs in all developing countries and/or regions. Private flows seem to favour resource-rich economies in rapid transition. Least developed countries and regions for their investment continue to depend on official transfers mostly. It confirms the need to think beyond aid to understand development. And to leave the stereotypes behind and focus on country-specific conditions to determine what the role of the various financial instruments for (local) development can be.

2.5. The impact of global crises on international cooperation

Early 2008, a steep rise in food prices triggered awareness of the severe instabilities that still characterise global food markets. Next, energy prices hit the roof, straining the economies of oil-importing countries, including many of the world’s poorest, only to be followed by the global financial crisis, which pushed the world’s richest nations into economic recession towards year’s end. The global slowdown imposed reductions on exports from developing countries and on the flow of remittances and foreign direct investment, threatening to trap an additional 64 million people in poverty.¹² Official Development Assistance (ODA) followed suit, indexed as it is to Gross National Income levels in donor countries. Confronted with the need to impose fiscal and budgetary constraints, donor governments have become acutely aware of the need to better justify why they are spending their taxpayers’ money on aid. Two discourses emerge: the first focuses on demonstrating the effectiveness of aid, the second on justifying the

6 World Bank, 2005

7 World Economic Situation and Prospects 2011, Chapter III

8 *ibid.*

9 Niels Keijzer, ECDPM, in The Guardian’s Poverty Matters Blog: <http://www.guardian.co.uk/global-development/poverty-matters/2012/aug/02/is-aid-target-still-relevant>

10 World Economic Situation and Prospects 2011, page 69

11 <http://blogs.worldbank.org/developmenttalk/capital-flows-to-developing-countries-bric-where-the-action-is>

12 See: http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Towards_SustainingMDG_Web1005.pdf

role of development finance in response to global challenges that affect people both in the South and in the North. As a result of the latter, the global development agenda is now being tied irrevocably into a widening range of globally 'shared interests' beyond poverty: international trade, security, economic growth, governance, migration, agriculture/food security, climate change, natural resources, energy and, global finance. Instead of the rather narrow but clearly defined focus of the Millennium Development Goals, a world in crisis has shaped an international cooperation agenda that has diversified almost overnight.

3. What are the implications for development policy and practice?

Over the past years, the above trends have left their mark on development policy and practice. In our view the changes have been most striking and of most consequence in five, partly overlapping areas:

3.1. Global leadership for development has shifted

In 2010 the new global players underscored their ascendance in the world order with a strong economic recovery and rapid expansion of trade and finance, including to developing countries. The global South now increasingly looks to China, India and Brazil for inspiration, and to other emerging players such as Republic of Korea, Turkey, Indonesia and Mexico. Global platforms such as the United Nations, the G8 and the G20 are also moving to accommodate the rise of these new regional and global powers. In the meantime, the traditional donor countries are held back by fiscal and budgetary constraints.

What does this mean for development policy? It certainly means the MDGs are increasingly felt to be too restrictive; an analysis carefully worded in the 2010 Report 'Less pretension, more ambition' of the Scientific Council for Government Policy in the Netherlands.¹³ And while the emerging economies increase their share in global development finance, they focus not on MDGs but on economic growth and infrastructure. Internal political pressures move the industrialized countries to also fortify the link between their global development agenda and domestic policies. In response, traditional donors start integrating development cooperation more and more into their overall response to global concerns. Support for private-sector-driven economic growth has increased and, international issues like immigration and labour mobility, piracy, raw materials, food security, sustainable energy and financial stability have been incorporated. And they expect developing countries to be their partners in these global efforts. Moving international cooperation beyond poverty has become a fact of life.

Within this context South-South cooperation is emerging as a laboratory for building new international relationships, for developing new modes of cooperation and for forging innovative coalitions. Nor is this limited to the few largest emerging players: many smaller middle-income countries too are engaging in mutually beneficial cooperation with partners from the developing world. A constant in this scenario is that development policy and practice become more and more political, conditioned by the evolving political dialogue between the partners. Apart from risks, this may also provide new opportunities for development cooperation. Its leverage may now be more effectively applied to impact efforts in other policy areas,

13 P. van Lieshout, et al. (2010). Less Pretention more ambition. development policy in times of globalization. The Hague: WRR. http://www.wrr.nl/fileadmin/en/publicaties/PDF-Rapporten/Less_pretention_more_ambition.pdf

including finance, to arrive at inclusive solutions to some of the intractable global problems that continue to affect the poor.

Box 1: Joint Africa-EU Strategy

One of the most ambitious initiatives to move away from “pure” development cooperation towards a more political international cooperation on issues of global concern is the Joint Africa-EU Strategy agreed upon at the December 2007 EU-Africa Summit in Lisbon. Not surprisingly during its first year of implementation, the architecture of the strategy received most attention, rather than any tangible progress on transforming the relationship between Africa and Europe. Yet the strategy sets out a framework for just such a transformation by establishing eight “partnerships” between the continents: on peace and security; democratic governance and human rights; trade and regional integration; the Millennium Development Goals; energy; climate change; migration, mobility and employment; and science, the information society and space. For the first time, the MDGs figure officially as one of a wider set of development goals in EU-Africa cooperation.

3.2. An evolving global maze of multiple, multi-stakeholder partnership for development

While development partnerships used to focus exclusively on development objectives, the new generation of international partnerships instead focuses on shared concerns, which may or may not include poverty directly. This does not mean that development objectives are any less important for example, to the European Union. Actually, the Lisbon Reform Treaty mentions fostering “*the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty*” as an overarching objective of the European Union’s external action. However, the new global narrative recognises that ODA alone cannot bring about development. Instead a wide variety of shared concerns needs to be addressed, each of which contains strong developmental challenges in addition to other concerns. For each of these - peace and security, democracy and human rights, economic development, improved terms of trade and regional integration, migration and employment, global environmental and climate change, and access to food, energy, water, health and education - the key question is to define the development dimension of what can and has to be done to address each particular global concern.

As a result we see a global knit-work emerging of numerous international partnerships that each address a specific concern, always including a wide range of partners from the public and private sector, civil society and academia; partners who do not necessarily have experience in, or links with development cooperation. Such partnerships range from inter-governmentally inspired ones such as the Joint Africa–EU Strategy, Global Funds or joint donor groups, to public-private partnerships for food and nutrition security, to civil society networks for lobbying and advocacy. Characteristically they include many different actors from a variety of backgrounds who, while sharing the overall concern, each have a (slightly) different view of what the partnership is supposed to yield, particularly in terms of development. Thus, depending on the nature and objectives of such partnerships, specific development goals will be high or somewhat lower on their agenda. Therefore, they require permanent policy dialogues to coordinate and align the various efforts of the partners over a prolonged period of time. Private sector must thus seek to improve the ‘development-friendliness’ of their impact in developing countries.

3.3. An active role for the private sector in development cooperation

The importance of private financial flows to developing countries, the advanced integration of the global economy and, the increased complexity of sustainability and development issues clearly demand a joined-up approach with the private sector. So far this has led to fundamentally three ways for donors to engage the private sector with development objectives. The first is to use public finance to promote private activity or investment in targeted developing sectors and/or markets directly. The second is to engage with companies, governments or institutions in order to improve the business climate in a certain market or region. The third way of engaging the private sector is through public-private partnerships, which create a framework of closer collaboration between public and private actors aimed at achieving jointly defined development goals. The Dutch development policy embarks on all three approaches under the common denominator of private sector development (PSD). Systematic research into the development effectiveness of these instruments is as yet scarce. An evaluation is currently being conducted by the Netherlands Ministry's Policy and Operations Evaluation Department.

The recognized risks of PPPs originate from the nature of the contracting parties and the constituencies and interests they serve, as "*private sector operators and development policy makers come at 'development' from quite different angles*".¹⁴ If commercial motives lead to a lack of attention to local needs or lack of integration into overall development strategies, such partnerships may pose risks. Also, they may have limitations in terms of coverage: countries too fragile, with an adverse business climate or which provide too little economic perspective to private sector actors, and regions within countries that are too remote or too poor, rarely profit from PPP initiatives. International public-private partnerships are also often questioned about their (lack of) active engagement with local and national private partners. The inclusion of small-scale farmers into global value chains is a case in point.¹⁵

In short, while the potential impact on development of an actively engaged private sector holds huge promise, the lack of specific knowledge generated so far on this particular type of international partnerships raises an important challenge to the newly emerging global development agenda.

Box 2: Africa: Growth is not enough

Africa has been among the world's fastest growing regions since 2000. Many African governments have improved political and macroeconomic stability and undertaken economic and social reforms. As a result, the importance of the private sector in Africa's development is rising. Though growth is still strongest in primary resources, Africa's economies are rapidly diversifying. If current trends continue in African trade with countries like China, India, Brazil, Saudi Arabia and Turkey, Europe will soon relinquish its position as Africa's largest trading partner. However, too much optimism may be misplaced, strong economic growth does not translate automatically into jobs or the reduction of poverty. There is increasing attention for the fact that socio-economic inequality is threatening the sustainability of economic growth as experienced in many African countries during the past and present decade.

¹⁴ Byiers, B. and A., Rosengren. (2012). Common or conflicting interests? Reflections on the private sector (for) Development Agenda, Maastricht: ECDPM Discussion Paper.

¹⁵ Hohfeld, L., Motivation of CSR oriented Public Private Partnerships in fisheries and agriculture development, Hannover, 2008, 4.

3.4. Moving from aid effectiveness to development effectiveness

A more political, more comprehensive international cooperation agenda requires a different understanding of effectiveness. Development partnerships are expected to lead to effective solutions to national and global development challenges, including poverty. However, one of the principal instruments available to ensure the development effectiveness of domestic and other non-development policies, policy coherence for development (PCD), is far from fully developed. Scholars seem to agree that much more research is needed on the development impact of relevant policies in developing countries, including research on the impact of domestic partner policies that affect the effects external policies may have within the partner country. One of the main findings of recent PCD research is that global development partners can only do so much, partner countries play an important role in ensuring development impact, also with regard to external policies that affect their countries.¹⁶ However, a recent study of the methodological options for measuring ‘development-friendliness’ of international policies and cooperation efforts ‘in situ’, in developing countries identified a variety of challenges to improving the current practice.¹⁷

On the positive side, the need for developing countries and their government to take the lead in their own development, mobilizing and making effective use of their own resources, is now widely subscribed to, for example, in the the Busan Partnership for Effective Development Cooperation. While pledging to work to reduce aid dependency, the Busan Declaration also confirms the role of development cooperation in catalysing the governmental, private sector and civil society-led transformations needed for effective development.

This move towards development effectiveness may appear as the recognition of something observers have known for a long time: “there is development beyond aid”. Nevertheless, substantial challenges remain, in particular with regard to the most vulnerable countries – the fragile, least developed, landlocked and small-island developing states. With the recent communication of the European Commission on resilience, the ability of developing countries to deal with crises – climate, economic and financial – and the ensuing scarcity of key resources – food, energy, finance, and water – becomes a substantive part of the global development agenda. The question remains however, whether development finance will prove able to leverage private-sector investment also for least-developed countries and, will it be able to ensure that such resources are implemented in a development-friendly way? Certainly for now the area of ‘development effectiveness’ presents more questions than answers.

3.5. Integrating development in international relations

As argued above, the key question is whether development cooperation will be able to use its leverage to achieve a positive development impact by the non-development policies it is ‘integrated with’. Linking the development agenda to global concerns is not new. In 2000, the Cotonou Partnership Agreement between the European Union and the ACP laid the foundation for integrating development with international trade, governance and security concerns. Its driver was the general understanding that development could only be pursued effectively if policies such as trade, governance and security contributed to or, at least, did not hamper development objectives. This led to a number of early experiences with development actors

16 EVS, Ghana Case Study

17 Keijzer, N., and J. Oppewal. (2012). Learn to walk before you run? A review of methodological approaches for evaluating coherence in the field of international cooperation. Maastricht: ECDPM Discussion Paper 132

cooperating with those from other policy areas to further development objectives. Without pretending a full analysis here, some lessons have emerged that can be taken into account when engaging in development-oriented international cooperation:

1. Developing countries and their development objectives should be prioritized. No matter what other objectives national and international actors define for their cooperation, development impact must be the single criterion guiding the use of ODA. The World Trade Organisations' Doha Round and the EU's negotiations of Economic Partnership Agreements are a case in point in this respect.
2. Policy dialogue should be at the heart of development partnerships. Adequate mechanisms for multi-stakeholder dialogue on progress against agreed objectives should be in place, with strong and decisive input from local, national and regional stakeholders. The current emphasis on domestic accountability underlines this point.
3. Donors must be accountable and donor accountability should be part of the agreed accountability mechanisms.
4. Development finance must be reconsidered in order to ensure development results in international cooperation as it is today. Development finance should align with development's new role as one international player among many, co-funding and cooperating with non-development actors seeking to reinforce development leverage.

4. Suggestions for the road ahead

4.1. Balance risks and opportunities

Within the current global context of multiple crises, present and looming, the shifts in development thinking we described above represent significant opportunities. Yet they also carry at least two formidable risks. Let us look at the positive side first. The recognition that 'development' can be supported in more ways than just by providing development assistance and the endorsement of the important role of the global and national private sectors seem to be definite wins. The fact that national development is first and foremost the responsibility of the countries themselves has moved from rhetoric to practice and constitutes a big plus as well. Ownership is increasingly seen as a responsibility you take, not one to be granted by donors. In fact, partner governments are now required by their domestic constituencies to be 'developmental', having the opportunities and wellbeing of their populations at heart. Besides, in times of scarcities due to global crises, development partners need to make stricter choices on where and how to invest their resources. As a result, the domestic accountability of governments becomes a key factor of choice. Equally, donors can no longer justify the inefficiencies inherent in multiple overlapping and competing structures. Harmonisation and alignment, division of labour and rationalisation may finally become the order of the day.

On the negative side, the shift beyond development as we know it entails real risks too. With so many new players entering the stage of international cooperation, development objectives may disappear from the radar screen, together with the lessons learnt and the good practices developed over the past decades. As a consequence, development thinking might revert to the overly optimistic frontier approaches of the past, before we learned that development is political and complex; that it doesn't respond well to linear thinking; and that development must be seen as a historical process that doesn't allow for 'quick fixes'. Beyond such a sidestepping of knowledge and insights gained, another danger looms in times of financial and fiscal

crisis as this shift can be used as an excuse to reduce public funding for international cooperation. Arguing that 'it wasn't effective anyway', some might advocate for 'the private sector to take over'. This would be a denial of everything we have learned about the need for inclusive multi-stakeholder processes to drive the transformations that are the true foundation for development. Donors will also need to be willing and able to share their national or regional expertise more systematically and strengthen their capacity to contribute to, and mobilise, knowledge for such multi-stakeholder processes.

4.2. Create space for political dialogue

Development partners will need to reinforce their political dialogues with partner countries in order to be able to align (or realign) their choices and to adjust (or readjust) amongst 'the different and complementary roles of all actors'.¹⁸ Accountability and transparency are becoming ever more important to bring about 'openness, trust and mutual respect and learning'¹⁹ for constructive dialogues. Dialogues will go beyond a strict focus on poverty issues, to address a range of national, regional and global challenges from governance, effective institutions and the business climate, to regional and global integration, global health, climate change, crisis management, conflict, fragility and vulnerability to shocks and disasters. Partners will have to take a stake in global coalitions, to seek alliances in order to enhance the effectiveness of their programmes and need to overcome differences when their policy positions are contested. Dialogues will need to include all relevant actors from government, the private sector and civil society to 'deepen, extend and operationalise the democratic ownership of development policies and processes'.²⁰ Developing countries will find themselves increasingly confronted with tough choices made by development partners who champion particular solutions to global challenges, putting their relations to the test.

4.3. Cater to inclusive, sustainable globalization

Without pretending to be exhaustive, the above highlights some of the many building blocks in the ongoing process of seeking a new global consensus on development post-2015. While the MDG's effectively mobilized finance for specific global development issues such as eradicating income poverty and improving health and education, they proved of little consequence for stimulating economic growth and jobs, or for moving towards a more climate resilient, sustainable future. A more comprehensive agenda is now on the table, speaking of 'sustainable development goals'. What these encompass, whether they should include the MDG's, and who will sign them, remains hidden in a mist of contested opinion. The first suggestion for follow-up thus needs to be for every interested party to engage actively in the process towards a new set of global development objectives. Noting the international community's formidable achievement of adopting the UN Millennium Declaration and the MDGs, one should be wary of self-proclaimed 'realist' positions that argue for a strongly ODA-focused MDG+ type of framework that only introduces minimalist fixes to the existing MDGs on the grounds that there is no political support for a more ambitious outcome. Instead the UN members should be encouraged by all actors to adopt a framework that adequately captures today's challenge of global development and the effective pursuit thereof.²¹

¹⁸ New Partnership for Effective Development Cooperation, Busan.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Reason enough to look forward to the debates likely to be sparked by the upcoming European Report on Development, to be presented early 2013, Development in a Changing World: Elements for a Post-2015 Global Agenda (working title), now being prepared by the European Centre for Development Policy Management (ECDPM), the Overseas Development Institute (ODI), and the German Development Institute (DIE).

4.4. Develop instruments and tools for ensuring the development effectiveness of partnerships

The impact of development is more and more interwoven with that of other policy areas: what development builds can easily be destroyed by other, domestic and global policies that affect partner countries. Domestic policies of partner countries may have a similar effect. Considering the multiple stakeholders involved with the design and implementation of development and other policies; the complexities of recognizing the synergies and/or trade-offs between the effects of various policies and, the lack of knowledge to date with regards to the combined development impact of relevant development and non-development policies, three things are needed: (1) ample space for those (negatively) affected to make their complaints known to the partners, so that these can be addressed by the partners in their policy dialogue and (2) systematic research as part of each international or domestic policy that has a potential for affecting development in order to understand its impact in individual partner countries and, to develop policy options for avoiding adverse effects on development in the future; and (3) equip development agencies to further develop and apply adequate standards for assessing the development-friendliness of policy and programme proposals.

4.5. Provide tailor-made support

No one-size-fits-all approach works for development. With inequalities on the rise both in the global South and in many industrialised countries, a sustainable balance between social, economic and ecological development becomes paramount. Which type of development this requires for each and every country differs considerably according to the context and the resources and opportunities available. For donors, this type of differentiation would imply 'custom-made' support for each partner country, according to the latter's own development strategy. International partners may start by differentiating support according to broader categories, but should never overlook the need for developing country-specific development options in line with country-specific ambitions.²²

4.6. Move towards a distinctive donor focus

Donors with a broad global development agenda need to establish clear geographic, sector and/or thematic priorities, recognizable to other partners. Given the need for development finance to support a broad international development agenda vis-à-vis the current fiscal constraints in many donor countries, moving towards a division of labour amongst donors is paramount. The division of labour amongst European donors in particular should be pursued with vigour, but will require more comparative analysis and professional honesty to admit in what areas some Member States are better than others. Currently such differences in comparative advantages remain implicit at best, and Member States trade specialisations such as basic education for private sector development at a flick of a switch. Effective partnerships are much helped by a clearer understanding of each other's interests and scope of contributions.

²² For a more detailed analysis please refer to Keijzer, N. J. van Seters, B. Lein, F. Krätke and A. Montoute. (2012). Differentiation in ACP-EU cooperation: Implications of the EU's Agenda for Change for the 11th EDF and beyond, Maastricht: ECDPM Discussion Paper 134. <http://www.ecdpm.org/dp134>

4.7. Make 'South-South cooperation' the norm

The distinction between South-South cooperation and humanitarian aid is not that the former does work and the latter doesn't. The difference is in the expressed ambition for reciprocal learning. South-South cooperation intends partners to approach each other on an equal footing, set a joint agenda inspired by the host country's development strategy. No moral superiority, no experts-know-it-all, but a joint inquiry into the available expertise and experiences on both sides until a feasible development intervention has been identified that can be jointly implemented. In fact, South-South cooperation intends to return to what has been known as 'good international cooperation practice', hidden from view over the past decades by the dominant thrust of traditional aid. Today there is scope for such an approach to be more successful than in the past as in most developing countries organizations and professionals are available to provide the required development expertise. If external specialists are needed at all, it is because of their accumulated knowledge and expertise gained while working on similar issues in their own country or region.

4.8. Invest in 'global knowledge networks' for international cooperation

Development is complex and knowledge intensive; professionalism is required at all levels and full control is a dream. As a result, the role of regional and global networks of policy-research institutions is essential in order to offer options to policy makers; to help develop standards and approaches; to critically evaluate, inform and support specialists; to research, evaluate and provide organizational and technological solutions to programmes, and to ensure a permanent global circulation of development-relevant ideas, approaches and understandings. Governments and donors should review their support to knowledge institutions and/or the markets these operate in, in order to ensure a knowledge infrastructure, both in their country and globally, matching the widening global development agenda.

About ECDPM

ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

Thematic priorities

ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

Approach

ECDPM is a “think and do tank”. It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

ECDPM also assists with the implementation of policies and has a strong track record in evaluating policy impact. ECDPM's activities are largely designed to support institutions in the developing world to define their own agendas. ECDPM brings a frank and independent perspective to its activities, entering partnerships with an open mind and a clear focus on results.

For more information please visit www.ecdpm.org

ECDPM Discussion Papers

ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

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