



Conference note 1

October 2016

Where next for development effectiveness?

Building a renewed consensus

Catherine Blampied



1. Introduction

We are in the opening chapter of a new era in sustainable development, anchored in the Sustainable Development Goals (SDGs) and their commitment to ‘leave no one behind’, the Addis Ababa Action Agenda on financing and the landmark Paris Agreement on climate change. This ambitious agenda demands not only a different order of magnitude in the quantity of resources mobilised for sustainable development, but also a greater than ever focus on their quality and impact (Greenhill et al., 2015).

The context in which these goals are to be achieved has shifted profoundly too. Over the past decade a plethora of new public- and private-sector actors engaged in development financing have emerged. This increasing diversity of actors, attributes and perspectives is welcome and, indeed, regarded as critical for success. It has brought about an ‘age of choice’ for development finance (Prizzon et al., 2016), with developing country governments having access to a growing market of potential finance providers. But it makes tracking and understanding the impacts of these various finance flows much more complicated than for traditional official development assistance (ODA). New actors may have less understanding of or engagement with the traditional development effectiveness principles established through the Paris Declaration on Aid Effectiveness and the Busan Partnership for Effective Development Co-operation. In addition, ‘adaptive’ and ‘politically smart’ approaches seek to offer a new way of thinking about what actually constitutes ‘effective’ development on the ground (Andrews et al., 2013; Bain et al., 2016).

Taken together, these shifts imply that we must revisit the internationally agreed concept of development effectiveness. Since its inception over a decade ago, the effectiveness framework has been one of the key tools available to assess and improve the impact of development cooperation. As we seek to build a global partnership commensurate with the ambition of the SDGs, now is the moment to take stock of progress and obstacles to development effectiveness thus far, to ask how ‘effective’ financing is being (re)defined by developing countries, given their current needs and challenges, and to update and reinvigorate the effectiveness framework so that it is fit for purpose.

The Second High-Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC), which will take place in Nairobi on 28 November to 1 December 2016, offers a prime opportunity to begin building a new consensus and to chart the way forward for development effectiveness in the SDG era.

2. The Global Partnership for Effective Development Co-operation

The GPEDC was created by the Busan Partnership Agreement in 2011. It is a multi-stakeholder platform, bringing together governments, bilateral and multilateral organisations, civil society and the private sector. Busan followed a series of milestone international meetings, motivated by the recognition that we must improve the results being achieved by development cooperation (see the box below).

However, the momentum behind the Paris and Busan processes has waned (Keijzer and Lundsgaarde, 2016). Despite clear progress on some strands of the agenda, such as aid transparency, on the whole the picture is a disappointing one. Donors have never actually fulfilled their commitments, and the evidence on the effectiveness of finance delivered through Paris- and Busan-style mechanisms has been mixed (OECD, 2011; GPEDC, 2014).

If high-quality, high-impact cooperation is essential to achieving the world’s aspirations for sustainable development, then we urgently need to better understand what this really means in today’s world.

3. Why update the development effectiveness framework?

There are four main reasons why the development effectiveness framework may need updating, each of which will be explored in dedicated conference sessions. Further detail can be found in the accompanying conference notes.

1. Situating the debate in the country perspective (see conference note 2)

The landscape of development finance has gone through rapid and sweeping changes over the past decade. Among them, not only do developing country governments have more financing options to support their national development, but they have also demonstrated growing assertiveness in selecting them. Research by ODI indicates that government officials in developing countries consider some of the existing effectiveness principles to be valuable,

A brief history of development effectiveness, from Paris to Mexico

Paris Declaration on Aid Effectiveness, 2005 (see OECD, 2005)

This declaration, the outcome of the Second High-Level Forum on Aid Effectiveness, for the first time articulated and endorsed a set of fundamental principles to make aid more effective. Donors agreed to implement the following five principles, and established a monitoring process for donors and recipients to hold each other accountable:

1. **Ownership:** Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
2. **Alignment:** Donor countries align behind these objectives and use local systems.
3. **Harmonisation:** Donor countries coordinate, simplify procedures and share information to avoid duplication.
4. **Results:** Developing countries and donors shift focus to development results and results get measured.
5. **Mutual accountability:** Donors and partners are accountable for development results.

Accra Agenda for Action, 2008 (see OECD, 2008)

A wider group of stakeholders committed to the Paris agenda and identified four key areas where greater focus was needed: Ownership; Inclusive partnerships; Delivering results; and Capacity development.

Busan Partnership for Effective Development Co-operation, 2011

Recognising that the world was changing profoundly, Busan broadened the agenda significantly: from ‘aid

effectiveness’, as pertaining principally to the OECD-DAC providers of ODA, to ‘development effectiveness’, encompassing the myriad actors and partnerships involved in South–South, triangular, philanthropic and private-sector cooperation. The Global Partnership for Effective Development Cooperation was established with the following four Busan Principles (see Busan Partnership for Effective Development Cooperation, 2011) as its foundation:

1. **Ownership of development priorities by developing countries**
2. **Focus on results**
3. **Inclusive development partnerships**
4. **Transparency and accountability to each other**

First High-Level Meeting of the GPEDC, Mexico City, 2014

At the first-high level meeting of the GPEDC, participants took stock of progress in implementing the Busan Principles, based on the ten indicators included in a new monitoring framework and information provided voluntarily by a selection of developing countries, traditional donors and emerging providers (GPEDC, 2014). This first Monitoring Report stressed that ‘much more needs to be done’, and the Mexico Communiqué noted with ‘critical concern’ the unfinished aid effectiveness agenda. The participants agreed to a review of the Busan monitoring and reporting arrangements, seeking to position the GPEDC as having a constructive role in the forthcoming post-2015 framework.

but do not appear to find all of them relevant or important. In addition, there are certain priorities commonly held across governments that are not currently reflected in the effectiveness principles at all.

Key questions

How could progress be accelerated in the areas that developing countries believe to be the most important? Why do certain effectiveness principles seem to have fallen off the radar of developing country governments and what could, or should, be done about it? Should priorities that are not currently reflected be incorporated into an updated effectiveness framework?

2. New imperatives for investing aid (see conference note 3)

Donors are increasingly enthusiastic about using aid to leverage private investment in various forms of ‘blended’ or ‘catalytic’ finance. For example, in the OECD’s ODA modernisation process (OECD DAC, 2016), work is underway to reform and expand the rules on counting the use of subsidies and support for private finance as official aid. Development finance institutions, which invest public money in private enterprises, have been around for decades, but the new emphasis on using aid to leverage private investment has thrust them into the limelight.

Key questions

Can the existing Busan Principles be applied, in totality or selectively, to investing in private enterprise? Would the GPEDC need to create a wholly distinct approach and, if so, what might that entail? What safeguards or additional information might be needed?

3. A new and more ambitious development agenda (see conference note 4)

The SDGs are radically more ambitious than the preceding Millennium Development Goals (MDGs). They are far more comprehensive in scope, and universal in their applicability to all countries, rich and poor. Most remarkably, they commit the world not only to achieve overall progress, but to ‘leave no one behind’; in other words, to reach even the most marginalised and vulnerable

people, and to reach them first. This may well imply the need for a very different approach to that which predominated during the MDG era.

Key questions

What does a focus on fragile and conflict affected states and marginalised groups within states mean for the development effectiveness principles? What happens to the imperatives of ‘ownership’ and ‘alignment’ when governments are themselves (wilfully or otherwise) marginalising certain groups? Are results frameworks up-to-scratch? Is data sufficient or sufficiently disaggregated? What role for the Global Partnership?

4. New ideas about ‘politically smart’ development practice (see conference note 5)

We now have a decade’s worth of evidence upon which to rate the success of the effectiveness agenda, and two striking findings have emerged. First, despite clear progress in some areas, a large proportion of the aid effectiveness commitments have not been met; not even close, in some cases. Second, even when it has been implemented, the traditional development effectiveness approach has had mixed impacts on outcomes. Is this perhaps partly because it does not take sufficient account of local political realities? At the same time, promising ‘politically smart’ approaches to aid delivery are emerging, such as ‘Doing Development Differently’ (DDD) and ‘Problem-Driven Iterative Adaptation’ (PDIA). Yet there may be under-explored tensions between some of their imperatives and those of the existing effectiveness framework.

Key questions

Over the past decade, has the existence of the development effectiveness framework actually changed the behaviour of development partners? What can we learn from past successes, failures and unintended consequences? What would a ‘politically smart’ or ‘adaptive’ approach to development effectiveness look like? Or are there in fact fundamental tensions between the iterative, flexible and interventionist nature of approaches such as DDD and PDIA, and the central tenets of predictability, ownership and transparency in traditional development effectiveness?

4. 2016 CAPE Conference: where next for development effectiveness?

The 2016 CAPE Conference is an independent and participatory space away from the formal political process. We will present the latest research and evidence, convene key decision-makers and stakeholders, and encourage dynamic and constructive debate on some of the challenges facing the GPEDC. Taking place six weeks before the Second High-Level Meeting, our goals are that

the exchange of ideas held here will embolden participants, inform ODI's recommendations to the GPEDC (which we will present through a briefing note) and, we hope, feed into and help shape its outcomes.

We hope you find the conference enjoyable, engaging and useful. We encourage you to voice your ideas, put your questions and comments to the speakers, participate in our online polls, join the discussion on Twitter using #2016CAPE, engage and vote in the debate sessions, give your feedback on the proposals pitched during the speed geeking session, and keep the conversation going during the many breaks and networking opportunities in the conference programme.

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Overseas Development Institute

203 Blackfriars Road

London SE1 8NJ

Tel +44 (0)20 7922 0300

Fax +44 (0)20 7922 0399

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