

# Old Puzzles, New Pieces

## Development Cooperation In Tomorrow's World

The Future of Development Financing  
Overseas Development Institute

By NKOSANA MOYO Founder and Executive Chair  
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# THE ISSUES

- Different facets of Development Financing.
  - Old Puzzles New Pieces
- Resources and sustainability
- The mismatch problem.
  - Global public goods vs. governance structures.
- Global vs. National accountability
- The nation state, an anachronism?
- Old and New Development Partners
  - State and non State
- Some possible consequences



# NATURE & EVOLUTION OF DEVELOPMENT FINANCING

Development Financing as: -

- Propitiation, former colonies
- Foreign policy Instrument
  - Human rights
- 'Trade'- no free lunch
- Funding global public goods



# RESOURCES AND SUSTAINABILITY

- Global economic crisis
  - Diminishing resources
- More domestic & private sector resource mobilisation.
- Innovative financing structures required
  - Blending private and public sector funds
    - Risk mitigation
    - Return enhancement
- Governance challenges
  - Complex accountability geometry



# RESOURCE PRIORITISATION?

- Foreign policy
  - EHM “If they are going to burn our flag and demonstrate against our embassy, why don’t we just get out of their damn country and let them wallow in their own poverty?”
- Humanitarian
- Human rights
- ‘Pure’ development assistance



# DEVELOPMENT PARTNERS

- Old versus New
  - West and China
- State versus non State
  - Motivation
  - Accountability
  - Areas of engagement
- Accountability geometry
  - State, old and new; domestic and foreign; private and public sector
  - THE PEOPLE, tax payers and beneficiaries, organised global and domestic civic society.



# THE NATION STATE

- Global challenges and global public goods
  - The environment
  - The economy
  - Security
  - Human rights
- Response and governance
  - Inadequate or absent governance structures
  - The imperative of 'democratic' national responses
  - The imperative of 'capitalistic' competitive positions



# GLOBAL VS. NATIONAL

- Human rights
  - Global value system
- Implementation
  - National
- Accountability
  - National/global.
- *Breakdown in relationships*
  - *Government versus the people*





# CONCLUSION

- Resource prioritisation
  - Foreign policy, human rights, humanitarian, development
- Harder to deliver on Paris, Accra and Bussan
  - Ownership, accountability and predictability
- New players and architecture
  - Blended instruments, even more complex governance
- Higher call on domestic resource mobilisation
  - Higher levels of patronage
  - Risk of further erosion in institutionalisation
  - Retreat of the formal economy
  - Increase in unemployment
  - UNREST



# THE END

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