Towards a New Development Cooperation Dynamic

– increased diversity in bilateral development assistance providers

Penny Davies
penny@pennydavies.net
Who are we talking about?

- Labels “emerging donors”, “new donors”, “non-DAC donors”, are all unsatisfactory
  - Many have long standing histories of providing assistance
  - By referring to DAC, they are defined by what they are not
  - Many do not refer to themselves as donors but engage in SSC based on mutual benefit

*There is a need for better terminology to capture the increasingly diverse forms of and partners that engage in development cooperation.*
How much are we talking about?

- Volumes uncertain due to
  - lack of transparent reporting
  - lack of a globally agreed definitions of “aid”

- Total gross assistance from 25 “non-DAC donors” reached $11bn in 2009 (Source OECD/DAC)

The importance of “non-DAC” assistance does not primarily lie in its volumes, but in the way in which it transforms international/multilateral development cooperation by contributing new ideas and modalities as well as increasing the options available to partner countries.
Opportunities with the increased engagement of “emerging donors”

1. Increased and more diverse resources for partner countries to support national development strategies and global development targets

2. Relevant development experiences to share with partner countries

3. Innovative development assistance modalities – South-South and Triangular Cooperation
Challenges with the increased engagement of emerging donors

1. Lack of transparency on volumes and terms of assistance

2. Insufficient adherence to aid effectiveness principles and social and environmental standards

3. Diversity in development partners poses challenges for management systems in partner countries and capacity to assess impact of options
Moving towards greater inclusiveness in multilateral development cooperation?

• 3rd High Level Forum Aid Effectiveness (2008): embraced SSC and acknowledged that “we can learn from the experiences of developing countries”

• DAC “Welcoming new partnerships in international development co-operation” (April 2011)

• “G20 Consensus on Development “ (2010) – shows high level political interest in SSC and triangular cooperation

• BRICS and beyond pushing for reforms etc.
Moving towards greater inclusiveness in multilateral development cooperation?

However, concerns remain as to what extent an inclusive development agenda is in the making:

- G20 excludes the remaining 173 UN members...
- Unclear to what extent the BRICS is championing the interests of all developing countries
- Power imbalances play out over the heads of citizens (donor/recipient and in SSC partnerships)
Suggestions for ways forward

1. Enhance collective multilateral action and broad based participation in partnerships
   - Move beyond individual flag planting to collaboration
   - Triangular cooperation one way forward – with partner countries in the driving seat
   - Involves CSOs and ensure broad based partnerships for sustainable multilateral collaboration
Suggestions for ways forward

2. Engage in genuine mutual learning for development results

- There needs to be openness and a genuine will to learn from each other and past mistakes to find common ground
- There are differences in approaches to overcome between DAC donors and SSC providers: “non-interference vs. conditionality”
- Need to move beyond the limitations of conditionality and non-interference and find common understanding on how to strengthen ownership and development results
Suggestions for ways forward

3. Increase transparency and exchange of information between development partners

- Enable citizens to hold governments to account and participate in development processes
- Enable integration of assistance into national planning tools and budgets
- Essential for enhancing multilateral cooperation
Suggestions for ways forward

4. Put policy coherence for development into practice

- The flagrant incoherence in policies remain the greatest obstacle to poverty eradication (illicit flows ten times global ODA, investments conflicting with HR, unsustainable consumption and production patterns etc)