

GEG Memo

The Fourth High Level Forum on Aid Effectiveness in Busan: a Mirror of the Changing Aid Community

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Day One – Part One

As host of the fourth summit of this kind organized by the Organisation for Economic Cooperation and Development (OECD) and its member-states, the Republic of South Korea is clearly seizing the opportunity to show-case its fast “success” while giving credit to the role of international aid in the country’s reconstruction after World War II. In an exhibition held in the conference hall organized by Korea’s cooperation agency, KOICA, an introductory note states that “the Exhibition of Korea’s ODA (Official development assistance) presents the story of Korea’s development from aid recipient to donor country. The exhibition acknowledges the help Korea received and presents ideas for future ODA”. In his opening speech, Korea’s Vice Minister of Foreign Affairs presented foreign aid as part of his life experience and recalled growing up in a country that was one of the world’s poorest. He mentioned that he personally benefited from aid as a child, and reminded participants that the Busan conference and exhibition centre in which the Forum is held (BEXCO) was built thanks to cooperation funds (like the port and other of the city’s infrastructures). He says that as a consequence, he feels proud to now be an official representative of the world’s thirtieth economy.

The location of the fourth High-level Forum on Aid effectiveness in South Korea adds a special flavor. The location reveals and reflects the changes at play in the donor and aid community since the OECD’s Paris declaration was signed in 2005. Since then, some Asian countries have consolidated their status as “emerging” countries. In least developed countries, many of which are in sub-Saharan Africa, important efforts have been made to increase national “ownership” of development strategies, focus aid and public expenditures on poverty reduction targets, and rationalize aid management. While Western governments are currently facing difficulties in meeting aid commitments, Asian and Latin American countries – such as China, India, Brazil, Venezuela - have established or revived cooperation policies of their own, thus giving new momentum to South-South cooperation, whose historical origins go back to the Bandung conference in 1955.

In the plenary session this morning, Brian Atwood (OECD/DAC) said: “the world has changed; recipients are also providers. We are no longer in a world of donors and recipients but a world of partners”. This should not be considered as a fact, though, and the OECD/DAC had to make considerable efforts to better include developing countries and incorporate their

visions and interests. The OECD's representativeness and legitimacy as a player in the aid field is at stake since the organization is not based on the "one country, one vote" principle - contrary to the United Nations system - and was once considered a "donor club". In the past years, the OECD's Working Party on Aid effectiveness has included members from developing countries – China and Brazil attended a Working party meeting for the first time last September. The governments of developing countries have been – unevenly – associated with the implementation and evaluation of the Paris declaration at the country level, and have led or taken part in initiatives, so-called "task-forces" and "building blocks" in the continued work related to the Paris declaration at the OECD in Paris. For example, Colombia and Indonesia are leading an initiative for South-South and triangular cooperation.

The degree of real participation from developing countries at the High-level forum on Aid effectiveness held in Busan, and its impact on the new international development compact that will emerge of it, remains to be explored.