

GEG Memo

Pre-HLF4 Conference: Toward a Global Compact for Development

Effectiveness

Jijun Xu – November 28th 2011

On November 28, 2011, Korean Development Institute (KDI) and Korea Association of International Development and Cooperation (KAIDC) hosted a pre-HLF4 conference entitled “Toward a Global Compact for Development Effectiveness.” During the discussion among scholars and policy advisors from leading think tanks, universities, and international organizations, several key issues have been raised for further reflections.

Shift in Mindset: From Aid Effectiveness to Development Effectiveness

Recently there has been a shift in international discussion from aid effectiveness to development effectiveness. The term of “development effectiveness” may mean different things for different people on the basis of their understanding of what is development and how to achieve development. Hence, concerns have been raised that such shift in discourse is dangerous in a sense that it creates more confusion than clarity. As a result, it is too broad and vague to be meaningful. Some participants from civil society question such shift might lead to “deliberate ambiguity” that diverts our attention from real important issues.

However, some participants in this pre-HLF4 conference have sought to give meaning to the new agenda of “development effectiveness.” The core message from the participants is that the shift is not merely a change in language but more importantly a change in mindset. Aid effectiveness mainly focuses on how to make aid delivery more efficient. In contrast, development effectiveness looks beyond aid to discover complementary instruments for economic and social transformation. Accordingly, scaling up the effective means of such catalytic aid is at the heart of development effectiveness. From this perspective, aid should be put in a broader framework of sustainable development strategy that lays the ground for the graduation from aid.

Such shift in mindset would have significant implications for policy instruments. Co-financing will be a crucial tool for leveraging private capital for development, which makes large-scale infrastructure possible. Such co-financing initiatives have already taken place in EU-Africa Infrastructure Trust Fund, Japan’s renewed efforts to promote Public Private Partnership, and U.S. initiative of integrating instruments of Ex-Im Bank with those of USAID.