

GEG Memo

The Four Contradictions of Busan

Paolo de Renzio – November 29th 2011

At the end of the first day of the Busan High-Level Forum on Aid Effectiveness, a huge circus with more than 2,000 delegates from governments, international organizations and civil society groups from all over the world, I was left unconvinced. Much of the schizophrenia that characterizes the aid world, especially in recent years, was very much present. Four main contradictions, in my view, lead to the difficulties that underlie many of the sessions I attended yesterday:

1. While the aid effectiveness agenda was conceived by a limited group of DAC donors in the late 1990s and early 2000s (the first High-Level Forum was held in Rome in 2003), the world has changed tremendously since then. New actors have joined the fray, with China, Brazil and other emerging powers now playing an increasing and increasingly contradictory role in the international aid architecture. Traditional donors are keen for these new actors to join the existing arrangements, including the principles adopted in the Paris Declaration, while new actors are keen to show that what they do is different, and goes under the new banner of 'South-South cooperation', characterized by knowledge sharing, mutual partnerships and demand-driven programming. The Busan outcome document tries to accommodate such tension and recognize the role of different actors. In doing that, however, it may end up settling for a minimum common denominator that does little to push the debate forward.

2. Much of what is included in the aid effectiveness agenda, and embodied in the indicators to monitor progress under the Paris Declaration, are technical aspects of aid management, with a vague call for 'focusing on results'. Everyone knows that the key yardstick against which aid needs to be measured is poverty reduction and improvements in people's lives, but debates are now locked into looking at more ephemeral things such as 'use of country systems', 'mutual accountability' and 'transparency'. Not that these are not important, but when a civil society representative in one of the opening panels argued that human rights, equity and poverty were the real things to look at, other speakers shifted in their chairs, and could not offer any clear response.

3. In another panel, the issue of 'aid predictability' was discussed, as a key aspect of donor behaviour that allows recipient countries to better plan their development activities over the medium-term. Little was said about the impossibility of providing 3-5 year commitments by donors who are in the midst of a huge fiscal squeeze in the aftermath of

the global financial crisis. An African woman from the audience raised the question, but the panel never found the time, or the courage, to provide an answer. This reflects a more general unease in donor circles to recognize that many of the promises they made in previous forums face clear difficulties in their changed domestic political landscapes, and in the incentives that are built into the functioning of aid agencies more generally.

4. Lastly, governments receiving aid also manifest some schizophrenic symptoms. Their life is made very difficult, on a daily basis, by the large and increasing number of donor agencies. Yet, they hardly ever say 'no' to any offers of additional aid, be it from traditional donors, China, Mexico or a private foundation. Their key incentive, in the end, is often not maximizing the effectiveness and impact of aid, but to maximize the amount of aid that flows into the country, so that there is a bigger pie to share around.

These four contradictions were never openly debated in yesterday's sessions, but could be seen underlying many of the interventions made. Maybe it is naive to expect big events such as this one to address these issues and point the way to a more realistic view of donor-recipient relationships. Today the politician big-wigs take the stage. I'll be on my way shortly to listen to Hillary Clinton, President Kagame and Ban Ki Moon. Will there be any surprises?