

Discussion Paper

No. 141

February 2013

Development Policy on the Edge:

Towards a post-2015 global
development agenda

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www.ecdpm.org/dp141

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Acronyms

ACP	Africa, Caribbean and Pacific
BRIC	Brazil, Russia, India and China
ECDPM	European Centre for Development Policy Management
IMF	International Monetary Fund
MDG	Millennium Development Goals
NEPAD	The New Partnership for Africa's Development
ODA	Official Development Assistance
PCD	Policy Coherence for Development
PPP	Public Private Partnership
PSD	Private Sector Development
UN	United Nations

1. Introduction

At the start of the new millennium, development actors established a global consensus and adopted the UN Millennium Declaration. The eight Millennium Development Goals (MDGs) that were formulated expressed a commitment to meet specific targets by 2015. Thus, for the first time in history, the fight against poverty was put forward as a global objective, a shared interest of all involved. Achieving the MDGs became what development was all about.

Little more than a decade later, however, the global development policy landscape has fundamentally changed. The development sector is being pushed into a corner, not only by those who in the past criticised it as a rather ineffective, self-perpetuating 'industry' but now also by those pointing to the need for a complete overhaul in light of new global challenges. Development, it could be said, found itself between 'a rock and a hard place' (Engel 2012: 5–7).

What happened? And what can be done? This paper first briefly highlights the global changes that most affect development policy and practice today. It then explores the implications of these changes, and why they may lead global actors to adopt a more politically driven development agenda. Finally, it considers some of the opportunities and risks that such an agenda may bring.

These few pages can, at best, summarise many of the issues and concerns that have been expressed over the past five to ten years. In practice, some organisations are already adapting, and will continue to renew and reposition themselves so as to remain relevant in the current context. Nonetheless, we believe that there is a need to increase the pace of this process of repositioning and reform of development policy and practice, in order to stay in step with global changes and challenges. We hope that this briefing paper can provide a foundation for intensified debate towards specific conclusions about what might be done next. These conclusions could then be reflected in a post-2015 framework for global development. We believe that effective action is of the essence for development cooperation to more precisely define its new role in the global context.

2. The global development policy context has changed fundamentally

What global trends have most affected development policy and practice? To answer this question, we must first look at the fundamental power shifts under way in the world today. Emerging economies, particularly China, India and Brazil, have such an impact on current world affairs that they are reshaping global governance. The clout of new actors is demonstrated in debates on reforming key international institutions, including the United Nations Security Council, the World Bank and the International Monetary Fund (IMF), as well as in the rise of the G20 as a world forum alongside the traditional G8. Former Dutch Prime Minister Wim Kok, in his recent Willem Drees Lecture, concluded, *'the balance of power in the world is shifting from West to East and ...this process is not about to end soon'*.¹ This development, he said, affects the relative global power of European countries and the United States, but it also brings opportunities in terms of export, trade and international cooperation. Within this context of global change and opportunity, ECDPM has identified five global trends that increasingly challenge thinking on development policy and practice.

¹ The full speech is available in Dutch at www.willemdrees.nl/wp-content/uploads/2012/01/Willem-Dreeslezing-2012-Onze-verzorgingsstaat-onder-druk-Wim-Kok.pdf.

2.1. Accelerated globalisation: Towards a global network society

Globalisation has accelerated during the past decade, propelled forward by the ongoing information revolution. Technology has allowed capital and value chains to go truly global and enabled people to act and move in novel ways, closely followed by the global media. The Arab Spring has illustrated for all to see that the global society is a network society. As never before, this network society provides for continual information exchange between the local and the global level. Actors at both levels now connect in new ways that make a real difference. As such, a global information reservoir is developing that in due time will be near universally accessible. Nonetheless, the growing polarisation within political systems means that information can no longer be considered neutral, thus hampering opportunities for evidence-based policymaking.

Apart from providing new ways of organising change within societies – and fostering a new brand of social entrepreneurs – today's local-global connections enable products and services to be tracked from their origins, via multiple transactions, to their use. They also offer channels for increasingly direct contact between financiers, suppliers, traders and consumers, in both legitimate and illicit trades.

This has at least two fundamental consequences for international cooperation. First, whether we look at aid, trade, visas, security, education, health, banking or investment, the impact and the underlying causes of global challenges are increasingly intertwined, between East and West, North and South. Foreign policy, development policy and domestic policies are similarly intertwined. In the words of former European Commissioner for External Relations, Benita Ferrero-Waldner, *'the truth is these distinctions [between development and foreign policy, or foreign and domestic policy] are losing their meaning. Or perhaps we should say, they have already lost their meaning'*.² The global North and its policies are now recognised as party to the problems the world faces, rather than just part of the solutions. This realisation has cast a new light on the 'moral high ground' from which donor countries have traditionally operated.

The second consequence of the global network society is that it provides civil society organisations and governments with the necessary tools to be more demanding towards actors that lack transparency in their transactions, such as the financial sector. This, in turn, compels donor countries to adapt their own regulatory systems and legislation.

2.2. Increasing complexity in a multi-polar, multi-stakeholder world

The rise of the emerging economies has brought about an increasingly complex and diffuse development context. China, India and Brazil have developed a significant presence in Africa. Other governments are doing the same, including Russia, Turkey, Korea and many Arab countries. New intergovernmental entities are acquiring importance as well, again, particularly in Africa. Organisations like the African Union and NEPAD and regional economic communities are playing a growing role in global partnerships to address concerns ranging from war, peace and security to natural resources, global health, trade, food security and climate change. This makes them of unquestionable relevance for the donor community. Next, many private actors, commercial as well as non-profit, are entering the development scene, including large sovereign wealth funds, foundations, global funds managed by international institutions, and national and

² The speech is available at www.europa-nu.nl/id/vhf6lobvl6y5/nieuws/speech_benita_ferrero_waldner_menselijke?ctx=vgu719bwtoy&start_tab0=140.

multinational companies. All of these widen the scope of development initiatives beyond the 'traditional' multilateral, bilateral, and civil society efforts already under way.

The diversification of partners challenges developing countries to themselves diversify and adapt. They need to maintain multiple, overlapping relationships and create new spaces to address the specific concerns of the various partnerships. On the donor side, diversification has prompted a series of attempts to improve coordination and country ownership and to align development efforts with national strategies and administrative systems. These began with the Paris Declaration on Aid Effectiveness in 2005, continuing via the Accra Agenda for Action in 2008 to the Busan Partnership for Effective Development Cooperation in 2011. None of these declarations triggered widespread progress, but inspired by the African Tunis Consensus, Busan at last put developing countries, with their own domestic resources, squarely in a leading role in promoting development.³

2.3. Widening the scope beyond poverty

Strong signals emerged early on that the MDGs were off-track, particularly in sub-Saharan Africa. A five-year stocktaking conference and World Trade Organization meeting in Hong Kong in 2005 brought home the complexities of the endeavour, leading to the conclusion that none of the global goals would be achieved in full without an articulated international effort. This triggered renewed reflection on the nature of poverty and what is needed to reduce it. Development actors became acutely aware that gains are easily offset by losses due to global trade or lack of security. Migration, especially people moving in search of economic opportunities, firmly entered the development agenda. Agriculture, the sector in which the vast majority of the world's poor tries to earn a living, made a strong comeback on the international cooperation agenda with the 2008 publication of the World Development Report *Agriculture for Development*. In response to the volatility of global food prices and looming food shortages, food security also acquired high priority. In 2009, the Copenhagen Climate Change Conference underlined, yet again, the tremendous impact that climate change will have on developing countries, though the problem can only be tackled by global collective action.

As a result, formerly isolated international and domestic policies and practices are now cross-wired as never before, between North and South, East and West and across different sectors. Donors have launched 'aid for trade' programmes to address the development dimensions of international trade. Emergency aid, peacekeeping and rehabilitation efforts are recognised as integral to support longer-term social, productive and institutional development processes. The '3D' approach has emerged, incorporating 'defence', 'diplomacy' and 'development'. Yet, these newly combined efforts raise new questions regarding policy coherence for development. Not least, we must ask whether development objectives are still in the lead in allocating resources for development.

³ The Tunis Consensus is available at www.aideffectiveness.org/busan/hlf4/images/stories/hlf4/Tunis_Consensus.pdf. The Busan Partnership Accord is available at http://www.dev-practitioners.eu/fileadmin/Redaktion/Documents/Post-Busan_03_2012/Busan_FINAL_EN.pdf?PHPSESSID=676429f1f11085f8399f01af656fbbc.

2.4. Beyond aid: The diminishing weight of ODA as source of development finance

Private financial contributions have overtaken official aid since the turn of the millennium. By 2005, official development assistance (ODA) flows were down to half of the financial flows to sub-Saharan Africa, according to World Bank estimates, while for all developing countries ODA had dwindled to a mere 9%. After a slump in 2008 and early 2009, net private capital flows to developing countries strongly recovered (UN 2011: 72). In 2010, they were expected to reach US \$659 billion (ibid.), more than four times ODA. Remittance flows to developing countries also outstripped ODA, totalling an estimated US \$327 billion in 2011 (Keijzer 2012).

However, private financial flows are selective. They do not reach all developing countries equally. While some 27% of foreign direct investment went to developing countries in 2003, only 3% reached the low-income countries. Remittances, of course, are significant only for those countries with sufficient numbers of citizens living abroad. In 2011, Africa received less than 10% of the US \$600 billion in net private flows to developing countries (UN 2011: 69). Malvina Pollock and Ibrahim Levent observe a *'striking difference between what is happening in the BRICs and what is taking place elsewhere'* with regard to capital flows to developing countries. Even among the BRICs, huge differences are found. China is dominant, as Pollock and Levent point out, *'Between 2005 [and] 2010 it received half of the net capital flows to the group with the other half divided evenly between the remaining three BRICs'*.⁴

Thus, while non-aid capital inflows to developing countries have rapidly outgrown the importance of aid, they have not automatically translated into local businesses and jobs in all developing countries and regions. Private flows seem to favour resource-rich economies in rapid transition. Least-developed countries and regions are left to depend mainly on official transfers for their investment. This finding confirms the need to think beyond aid to understand development, and to leave stereotypes behind, focusing on country-specific conditions to determine what role the various financial instruments can play for local development.

2.5. The impact of global crises on international cooperation

In early 2008, a steep rise in food prices triggered awareness of the deep instabilities that still characterise global food markets. Next, energy prices hit the roof, straining the economies of oil-importing countries, including many of the world's poorest. Then came the global financial crisis, pushing the world's richest nations into economic recession towards year's end. The ensuing slowdown imposed reductions on exports from developing countries and reduced flows of remittances and foreign direct investment, threatening to trap an additional 64 million people in poverty (UNDP 2011: 2). ODA declined as well, indexed as it is to gross national income in donor countries.

Confronted with fiscal and budgetary constraints, donor governments became acutely aware of the need to better justify why they are spending their taxpayers' money on aid. Two discourses emerged: the first focused on demonstrating the effectiveness of aid, while the second aimed to justify the role of development finance in responding to the global challenges affecting people in both the South and the North. The result of that latter discourse was to irrevocably tie the global development agenda to a

⁴ The full article is available at <http://blogs.worldbank.org/developmenttalk/capital-flows-to-developing-countries-bric-where-the-action-is>.

widening range of global 'shared interests' beyond poverty. These range from international trade, security and economic growth to governance, migration, agriculture, food security, climate change, natural resources, energy and global finance. Instead of the rather narrow but clearly defined focus of the MDGs, a world in crisis has shaped an international cooperation agenda that has diversified almost overnight.

3. Implications for development policy and practice

The above trends have left their mark on development policy and practice. In our view, the changes have been most striking and of most consequence in five, partly overlapping areas.

3.1. Global leadership for development

In 2010, the new global players underscored their ascendance in the world order with a strong economic recovery and rapid expansion of trade and finance, including to developing countries. Thus, the global South now increasingly looks to China, India and Brazil for inspiration, and to other emerging players, including the Republic of Korea, Turkey, Indonesia and Mexico. Global platforms such as the United Nations, the G8 and the G20 are moving to accommodate these new regional and global powers. In the meantime, the traditional donor countries are being held back by fiscal and budgetary constraints.

What does this mean for development policy? Certainly the MDGs are increasingly considered to be too restrictive, a standpoint carefully set out in the 2010 report *Less Pretension, More Ambition* by the Netherlands Scientific Council for Government Policy. As the emerging economies increase their share in global development finance, they are focusing not on MDGs but on economic growth and infrastructure. At the same time, internal political pressures have moved the industrialised countries to fortify the link between their global development agenda and domestic policies. In response, traditional donors have started to integrate development cooperation more into their overall response to global concerns. Support for private sector-driven economic growth has increased, and international issues like immigration and labour mobility, piracy, raw materials, food security, sustainable energy and financial stability have been incorporated. Developing countries are expected to be partners in global efforts to address these concerns. Thus, the shift of international cooperation beyond poverty has become a fact of life.

Within this context, South-South cooperation is emerging as a laboratory for the building of new global relationships, for developing new modes of cooperation, and for forging innovative coalitions. Nor is this limited to the few largest emerging players: many smaller middle-income countries, too, are engaging in mutually beneficial cooperation with partners from the developing world. A constant in this scenario is that development policy and practice are increasingly political, conditioned by evolving dialogues between the partners. Apart from risks, this may bring new opportunities for development cooperation. Its leverage may now be applied more effectively to impact other policy areas, including finance, perhaps leading to inclusive solutions to some of the intractable global problems that continue to affect the poor.

Box 1: Joint Africa-EU Strategy

The Joint Africa-EU Strategy is one of the most ambitious initiatives to move away from 'pure' development cooperation towards a more political international cooperation on issues of global concern. It was agreed upon by heads of state and government at the December 2007 EU-Africa Summit in Lisbon. Not surprisingly, during its first year of implementation the architecture of the strategy received most attention, rather than any tangible progress towards transforming the relationship between Africa and Europe. Yet the strategy sets out a framework for just such a transformation. It establishes eight 'partnerships' between the continents: (1) peace and security; (2) democratic governance and human rights; (3) trade and regional integration; (4) the Millennium Development Goals; (5) energy; (6) climate change; (7) migration, mobility and employment; and (8) science, the information society and space. The Joint Africa-EU Strategy represents the first time that the MDGs figured officially as one of a wider set of development goals in EU-Africa cooperation.

3.2. An evolving global maze of multiple, multi-stakeholder partnership for development

Development partnerships used to focus exclusively on development objectives. However, the new generation of international partnerships focuses instead on shared concerns, which may or may not include poverty directly. This does not mean that development objectives are any less important, for example, to the European Union. Actually, the Lisbon Reform Treaty stipulates the overarching objective of EU external action as fostering *'the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty'*. Nonetheless, the new global narrative recognises that ODA alone cannot bring about development. Rather, a wide variety of shared concerns must be addressed, each of which involves strong development challenges in addition to other issues. To address each particular global concern – for example, peace and security; democracy and human rights; economic development; improved terms of trade and regional integration; migration and employment; global environmental and climate change; and access to food, energy, water, health, and education – the key task is to define the development dimension of what can and has to be done.

As a result, a global cloth is emerging of numerous international partnerships, each addressing a specific concern and including a range of partners from the public and private sector, civil society and academia. These partners may not all have experience in, or links with, development cooperation. Such partnerships range from inter-governmentally inspired ones, such as the Joint Africa-EU Strategy, global funds and joint donor groups, to public-private partnerships for food and nutrition security and civil society networks for lobbying and advocacy. They typically include many different actors from a variety of backgrounds. While sharing the same overall concern, each has a slightly, or perhaps markedly, different view of what the partnership is supposed to yield, particularly in terms of development. Depending on the nature and objectives of the partnership, specific development goals will be high or somewhat lower on the agenda. Permanent policy dialogues will therefore be required to coordinate and align the various efforts over a prolonged period of time. In this process, the private sector will be called upon to improve the 'development-friendliness' of its impact in developing countries.

3.3. An active role for the private sector in development cooperation

The importance of private financial flows to developing countries, the advanced integration of the global economy, and the increased complexity of sustainability and development issues clearly demand a joint approach that incorporates the private sector. So far, this has led to three basic ways for donors to engage private entities with development objectives. The first is to use public funds to promote private activity or direct investment in targeted development sectors and markets. The second is to engage with companies, governments and institutions to improve the business climate in a certain market or region. The third way to engage the private sector is through public-private partnerships, creating a framework of closer collaboration between public and private actors to achieve jointly defined development goals. The Netherlands has embarked on all three approaches in its development policy, under the common denominator of private sector development. Systematic research into the development effectiveness of these instruments is scarce up to now, but an evaluation is currently being conducted by the Policy and Operations Evaluation Department of the Netherlands Ministry of Foreign Affairs.

The risks of public-private partnerships originate in the nature of the contracting parties and the constituencies and interests that they serve. Bruce Byiers and Anna Rosengren (2012: 8) observe, *'Ultimately, private sector operators and development policymakers come at "development" from quite different angles'*. If commercial motives lead to a lack of attention to local needs or a lack of integration into overall development strategies, such partnerships may pose risks. Furthermore, they may have limitations in terms of coverage: countries may be too fragile, have an adverse business climate, or provide little economic perspective to private actors. Poor and remote regions rarely profit from public-private partnerships. When such partnerships are international they may lack active engagement of local and national private partners. The difficulty of including small-scale farmers in global value chains is a case in point (see, e.g., Hohfeld, Waibel and Weirowski 2008).

In short, an actively engaged private sector holds huge promise for development impact. However, little specific knowledge has been generated so far on this particular type of international partnership. This constitutes a key challenge for the newly emerging global development agenda.

Box 2: Africa: Growth is not enough

Africa has been among the world's fastest growing regions since 2000. Many African governments have improved political and macroeconomic stability and undertaken economic and social reforms. As a result, the private sector's importance for development on the continent. Though growth is still strongest in primary resources, Africa's economies are rapidly diversifying. If current trends continue, Europe will soon relinquish its position as Africa's largest trading partner, in favour of countries like China, India, Brazil, Saudi Arabia and Turkey. However, too much optimism may be misplaced. Strong economic growth does not automatically translate into employment or the reduction of poverty. In fact, socio-economic inequality threatens the sustainability of the economic growth experienced by many African countries during the past and present decade.

3.4. Moving from aid effectiveness to development effectiveness

A more political, more comprehensive international cooperation agenda requires a different understanding of effectiveness. Development partnerships are expected to lead to operative solutions to national and global development challenges, including poverty. However, one of the principal instruments available to ensure the development effectiveness of domestic and non-development policies, 'policy coherence for development' is far from fully developed. Scholars seem to agree that more research is needed on the development impact of the range of policies affecting developing countries, including the impact of domestic policies on the way that external policies play out within a partner country. A recent study on policy coherence for development concluded that global development partners can only do so much, as partner countries play a key role in determining the development impact of external policies in a specific domestic context (Hardus 2010). A recent overview of the methodological options for measuring the 'development-friendliness' of international policies and cooperation efforts 'in situ', in developing countries identified a variety of challenges to improving current practices (Keijzer and Oppewal 2012).

On the positive side, the need for developing countries to take the lead in their own development, mobilising and making effective use of their own resources, is now widely subscribed to, for example, in the Busan Partnership for Effective Development Cooperation. While pledging to work to reduce aid dependency, the Busan Declaration confirms the role of development cooperation in catalysing the governmental, private sector and civil society-led transformations needed for effective development.

The move towards development effectiveness is more than just recognition of something that observers have long known, namely, that there *is* development beyond aid. Nevertheless, challenges remain, in particular, with regard to the most vulnerable countries: the fragile, least-developed, landlocked and small-island developing states. In a recent communication on resilience, the European Commission recognises that the ability of developing countries to deal with crises (e.g., climatic, economic or financial) and the ensuing scarcity of key resources (food, energy, finance and water) is a substantial part of the global development agenda. The question remains, however, whether development finance will prove able to leverage private sector investment for the least-developed countries and whether it will be able to ensure that such resources are allocated in a development-friendly way. Certainly for now, the area of 'development effectiveness' presents more questions than answers.

3.5. Integrating development into international relations

Will development cooperation be able to use its leverage to achieve a positive development impact of the non-development policies with which it is intertwined? Linking the development agenda to global concerns is not new. In 2000, the Cotonou Partnership Agreement between the European Union and the African, Caribbean and Pacific Group of States (ACP) laid the foundation for integrating development with international trade, governance and security concerns. Its driver was the understanding that development could be pursued effectively only if policies such as those on trade, governance and security contributed to or, at least, did not hamper development objectives. This led to a number of early experiences of development actors cooperating with those from other policy areas to further development objectives. Without pretending a full analysis here, some lessons have emerged that should be carried forward when engaging in development-oriented international cooperation:

1. Developing countries and their development objectives should be prioritised. No matter what other objectives national and international actors define for their cooperation, development impact must be the single criterion guiding the use of ODA. The WTO Doha Round and the European Union's negotiation of Economic Partnership Agreements are cases in point in this respect.
2. Policy dialogue should be at the heart of development partnerships. Adequate mechanisms need to be in place to guide multi-stakeholder dialogue towards agreed objectives, with strong and decisive input from local, national and regional stakeholders. The current emphasis on domestic accountability underlines this point.
3. Donors must be accountable and donor accountability should be part of the agreed accountability mechanisms.
4. Development finance should be reconsidered in order to ensure development results in today's international cooperation context. Development finance needs to be aligned with the development sector's new role as one international player among many, co-funding and cooperating with non-development actors, seeking to reinforce development leverage.

4. The road ahead

4.1. Balance risks and opportunities

Despite the current global context of multiple crises, present and looming, the shifts in development thinking described above represent significant opportunities. However, they carry at least two formidable risks as well. Looking first at the opportunities side, we see definite wins associated with the recognition that 'development' can be supported in more ways than just by providing ODA; and the wide endorsement of the key role of the global and national private sectors holds similar promise. Furthermore, the fact that national development is first and foremost the responsibility of the countries themselves has moved from rhetoric to practice. This, too, constitutes a big step forward. Ownership is increasingly seen as a responsibility one takes, not something to be granted by donors. In many cases, domestic constituencies now require partner governments to be 'developmental', meaning that they have opportunities and well-being of their populations at heart. Besides, in times of scarcity due to global crises, development partners need to make stricter choices on where and how to invest their resources. As a result, the domestic accountability of governments becomes a key factor in the choice. Equally, donors can no longer justify the inefficiencies inherent in multiple overlapping and competing structures. Harmonisation and alignment, division of labour, and rationalisation may finally become the order of the day.

On the risk side, with so many new players entering the stage of international cooperation, development objectives may disappear from the radar screen, together with the lessons learnt and the good practices developed over the past decades. As a consequence, development thinking might revert to the overly optimistic frontier approaches of the past, before we learned that development is political and complex; that development does not respond well to linear thinking; and that it must be seen as a historical process that is impervious to 'quick fixes'. Beyond any sidestepping of knowledge and insights gained, another danger looms in times of financial and fiscal crisis, as the shift beyond development as we have known it could be used as an excuse to reduce public funding for international cooperation. Arguing that 'it wasn't effective anyway', some might advocate letting the private sector take over. This would be a denial of everything we have learned about the need for inclusive multi-stakeholder processes to drive the transformations that are

the true foundation for development. Donors need to be willing and able to more systematically share their national and regional expertise. They will also need strengthened capacity to contribute to, and mobilise, knowledge for multi-stakeholder processes.

4.2. Create space for political dialogue

Development partners will need to reinforce their political dialogues with partner countries in order to align (or realign) their choices and adjust (or readjust) amongst '*the different and complementary roles of all actors*' (Busan Partnership for Effective Development Cooperation 2011: art. 11). Accountability and transparency are becoming ever more important to bring about '*openness, trust and mutual respect and learning*' (ibid.) for constructive dialogues. Dialogues have to go beyond a strict focus on poverty issues, to address a range of national, regional and global challenges, from governance, effective institutions, and the business climate to regional and global integration, global health, climate change, crisis management, conflict, fragility, and vulnerability to shocks and disasters. Partners will have to take a stake in global coalitions, seek alliances to enhance the effectiveness of their programmes, and find ways to overcome differences when their policy positions are contested. Dialogues will need to include all relevant actors, including government, the private sector and civil society, to jointly 'deepen, extend and operationalise the democratic ownership of development policies and processes' (ibid.: art. 12). Developing countries will find themselves increasingly confronted with tough choices made by development partners that champion particular solutions to global challenges, putting their relations to the test.

4.3. Develop instruments and tools for ensuring the development effectiveness of partnerships

The impact of development policy is increasingly interwoven with the impacts of policies in other areas. This means that what development builds can be easily destroyed by domestic and global policies in other areas that affect partner countries. Domestic policies within partner countries may have a similar effect. Yet gaining a handle on the interconnections is exceedingly complex. Multiple stakeholders are involved in designing and implementing development and other policies; and synergies and trade-offs between the effects of the various policy areas are seldom clearly evident. Overall, there is a lack of knowledge regarding the development impact of combinations of development and non-development policies. To see through the complexity, three things are needed: (1) those who are (negatively) affected need ample space to make their complaints known to the partners, so that undesirable outcomes can be addressed through policy dialogue; (2) systematic research needs to accompany each international and domestic policy with potential effects on development, in order to understand the full range of impacts in individual countries and to develop policy options for avoiding adverse development effects in the future; and (3) development agencies need to further develop and apply adequate standards for assessing the development-friendliness of policy and programme proposals.

4.4. Provide tailor-made support

No one-size-fits-all approach works in development. With inequalities on the rise, both in the global South and in many industrialised countries, a sustainable balance between social, economic and ecological development becomes paramount. The specific type of development required for each and every country will differ, according to the context and available resources and opportunities. For donors, such differentiation implies 'tailor-made' support for each partner country, according to the latter's own development strategy. International partners may start by differentiating support according to broader categories, but they should never overlook the need for country-specific development options in line with country-specific ambitions (Keijzer et al. 2012 provides a more detailed analysis).

4.5. Move towards a distinctive donor focus

Donors with a broad global development agenda will need to establish clear geographic, sector and thematic priorities that are recognisable to their partners. Moving towards a division of labour amongst donors is of crucial importance given the need for development finance to support a broad international agenda. In view of the current fiscal constraints faced by many donor countries, a division of labour amongst European donors in particular should be pursued with vigour. However, this will require more comparative analysis as well as the professional honesty to acknowledge in what areas some member states are better than others. Such differences in comparative advantages are currently implicit at best, with member states trading specialisations, such as basic education or private sector development, at a flick of a switch. Effective partnerships are much helped by a clearer understanding of each other's interests and scope of contributions.

4.6. Make South-South cooperation the norm

The distinction between South-South cooperation and development aid is not that the former does work and the latter does not. The difference is in the expressed ambition for reciprocal learning. Partners in South-South cooperation approach each other on equal footing and set a joint agenda inspired by the host country's development strategy. There is no moral superiority, no experts who know it all, but a joint inquiry into the available expertise and experiences on both sides to identify a feasible development intervention that can be jointly implemented. In fact, South-South cooperation returns to what used to be known as 'good international cooperation practice', yet has been hidden from view over the past decades by the dominant thrust of traditional aid. Today there is scope for such an approach to be more successful than in the past. Most developing countries have organisations and professionals available to provide the required development expertise. If external specialists are needed at all, it is because they have accumulated knowledge and expertise while working on similar issues in their other countries or regions.

4.7. Invest in global knowledge networks for international cooperation

Development is complex and knowledge-intensive. Professionalism is required at all levels, and full control is an illusion. As a result, regional and global networks of policy research institutions have essential roles to fulfil: to offer policymakers options; to help develop standards and approaches; to critically evaluate, inform, and support specialists; to research, evaluate, and provide organisational and technological solutions; and to ensure a continual global circulation of development-relevant ideas, approaches and understandings. Governments and donors have a role to play in supporting knowledge institutions and the markets in which these operate, in order to preserve a steady knowledge infrastructure, both in their own country and globally, matching the widening global development agenda

5. Cater to inclusive, sustainable globalisation

Without the pretence of being exhaustive, this paper has highlighted some of the many building blocks in the ongoing process of seeking a new global consensus on development post-2015. While the MDGs have effectively mobilised finance for specific development issues, such as eradicating income poverty and improving health and education, they have proven of little consequence for stimulating economic growth and jobs or for moving towards a climate-resilient, sustainable future. A more comprehensive agenda is now on the table, one that speaks of 'sustainable development goals'. Yet, what these goals encompass, whether they should include the MDGs, and who will commit to them remains hidden in a mist of contested opinion.

Adoption of the UN Millennium Declaration and the MDGs by the international community was a formidable achievement. Moving onwards, we should be wary of positions proclaimed to be 'realist', perhaps arguing for a strongly ODA-focused MDG+ type of framework that introduces minimalist fixes to the existing MDGs on the grounds that there is no political support for a more ambitious outcome. Instead, UN members and other stakeholders should be encouraged to adopt a framework that adequately captures the earnest challenge that global development and its effective pursuit represents today.

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About ECDPM

ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

Thematic priorities

ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

Approach

ECDPM is a “think and do tank”. It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

ECDPM also assists with the implementation of policies and has a strong track record in evaluating policy impact. ECDPM's activities are largely designed to support institutions in the developing world to define their own agendas. ECDPM brings a frank and independent perspective to its activities, entering partnerships with an open mind and a clear focus on results.

For more information please visit www.ecdpm.org

ECDPM Discussion Papers

ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

This publication benefits from structural support by ECDPM's following partners: The Netherlands, Belgium, Finland, Ireland, Luxemburg, Portugal, Sweden, Switzerland and the United Kingdom.

ISSN 1571-7577

European Centre for Development
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