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## **Busan: Are donors ready for real partnership?**

By John Sinclair

Busan, South Korea next week will host a ministerial mega-conference on the aid game, embracing new and old donors, recipient governments and hundreds of civil society organizations. This event, the Fourth High Level Forum on Aid Effectiveness, builds upon the second high-level forum's Paris Declaration, centred on enhancing (recipient) ownership and partnership.

Busan takes place in a much-changed world. There is renewed anger over deficit reduction, stubborn high unemployment and continuing economic stagnation. There is a new dynamic in power and influence between North and South: the world's big traditional donors and emerging economies. Just weeks ago at the Cannes G20 meeting we saw Europe almost pleading for Chinese financial aid.

Domestic politics is also in flux. There are new democratic expectations in many states in the South. And in the North, anger toward governments is growing, symbolized by the Occupy movement and rejected leaders in Athens, Rome and Madrid.

Old donor norms no longer apply. South-South co-operation, a term in the UN lexicon for decades, is now everyday practice. China, depending on how one counts, is now the most important donor in Africa.

Development is increasingly recognized as a broader concept, embracing elements such as institutional capacity, trade, investment and governance. A successful Busan needs to shift the focus to development effectiveness, not merely aid effectiveness.

### **Achievements since Paris**

Two formal 2011 evaluative exercises serve as background to the Busan meeting.

The Paris Declaration Evaluation, led by Canadian Bernard Wood, found modest transformation, a glass somewhat less than half full, with more achieved by recipients than by more capable donors. Country ownership has advanced, but seems inadequately matched by an easing of donor demands or improved transparency. The players at Busan need to make hard political choices to remain relevant and become more inclusive. True partnership is still largely a dream as donors hesitate to let go.

Second is the more technical DAC monitoring report. As a product of donors (the DAC, or Development Assistance Committee, is a 24-member group of large aid funders operating through the Organisation for Economic Co-operation and Development) the DAC was honest enough to publish self-ratings in its 2011 Survey on Monitoring the Paris Declaration showing that 12 of 13 core Paris targets as 'not met.' But its messaging was more restrained; the report described the results as just "sobering," not shocking, given such limited progress.

### **Busan challenges**

Busan will likely be a messy process. It has to move on, but there are more actors than ever around the table.

Donors are more numerous and unequal. A new Brookings Institute/Center for Global Development study shows the biggest are not the best performers among bilaterals. It ranked middle-sized Canada well behind its traditional peers such as the UK and Nordics.

Meanwhile the 'new' donors—of which China is the main player; although it has been active, but less visible as a donor, since the 1970s—preferred by some recipients for being less policy-intrusive, often operate like today's large aid donors in the '70s. Their aid activities are often so opaque that the studies cannot even rate them.

Nominally empowered aid recipients are often not willing or institutionally able to exercise the country leadership expected of them under the Paris Declaration. This weakness is compounded by the reality that most of the big-time Development Assistance Committee donors and their multilateral partners hesitate to cede leadership. Instead many remain controlling and impose detailed conditionalities.

The same rankings show greater effectiveness and transparency in the multilateral institutions (the World Bank, for instance). But Busan will also press for change in these organizations, still dominated by the big donors. They will need to rapidly reform their own governance to accommodate powerful new actors from the South, some as donors.

Critics say development banks need to respond operationally, not just rhetorically, to the readiness of many developing partners to assert 'country ownership,' in aid-speak. They, with the UN, should work to build that same capability in weaker partners, notably so-called fragile states.

The core challenge in Busan will be to build a consensus about a middle path, something more organic, more inclusive—one where there will be real changes in the accountability and leadership responsibilities. This will require a re-ordering in relationships between the many sovereign actors—and their often egocentric institutional creations. Western donors will need to end their mother-knows-best style, while developing-country leaders will less easily evade responding to their populations.

Reframing those roles will be a struggle. Donors such as the Saudi Fund for Development or the Bill & Melinda Gates Foundation, let alone China, see no merit in fitting their relationships with developing countries into a box designed by traditional donors.

Unfortunately for progress, these are the worst of times. Busan meets against a backdrop of failure to save the euro or bring jobs to a weakened US economy. Old G7 power brokers feel humbled and vulnerable. Meanwhile emerging economies in the G20 are not assertive enough about re-framing global governance.

## **Where is Canada?**

Canada signed on to both the Paris Declaration on Aid Effectiveness at the second high-level forum and, building on that, the Accra Agenda for Action at the last forum. For sure International Co-operation Minister Bev Oda is planning to say 'yes' in Busan.

But the Canadian International Development Agency is at best a mixed performer in its behaviour and is particularly weak on partnership. Canada was rated 'poor' in a 2011 donor transparency survey done by Publish What You Fund, a global campaign for aid transparency.

Canada was praised at the Accra meeting for its initiative to give new status to civil society organizations, an important achievement at that meeting. However, these gains have been undermined since by the controversy over the cut-off in support to several internationally respected Canadian NGOs.

Predictability in donor funding has been a key issue since Paris. Budget uncertainty hinders effective planning by recipients. A welcome advance would be shared multi-year budget frameworks.

Project implementation is often not a strong point of many recipients and this can be compounded by the uncertainties in CIDA's own centralized approval processes.

CIDA has just launched a modest digital storehouse of descriptive project data. Busan would now be a good place to sign up to the full standards of the International Aid Transparency Initiative. Canadians and CIDA's recipient partners would like access to policy and programming information, such as multi-year country strategies.

Ultimately, Busan will be all about giving more control and ceding ownership, hence leadership, to recipients. We will be committing to follow their programming and implementation strategies, not offering them our pre-planned projects. Is CIDA ready to deliver on this spirit of strengthened trust and partnership, notably in our focus countries? Are we ready to walk the talk?

We can always hope!

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