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## Preparing for the 2014 Development Cooperation Forum

### Background Study

for the DCF Ethiopia High-level Symposium  
Addis Ababa 5-7 June 2013

**“TOWARDS A NEW GLOBAL PARTNERSHIP FOR  
DEVELOPMENT: LOOKING BACK TO LOOK FORWARD”**

Development Cooperation Policy Branch  
Office for ECOSOC Support and Coordination  
Department of Economic and Social Affairs  
United Nations

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**TOWARDS A NEW GLOBAL PARTNERSHIP FOR DEVELOPMENT:  
LOOKING BACK TO LOOK FORWARD**

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As the 2015 target year is fast approaching for realizing the development goals that were embodied in the Millennium Declaration, the international community has begun to discuss what should be the nature and content of the global development agenda post-2015. It is anticipated that a global partnership of nations and international institutions will commit to implement a set of goals and reach a set of targets to realize the goals. Non-official stakeholders from civil society and business around the world are expected to cooperate in their implementation.

The new global partnership will undoubtedly be stated at a fairly general level, with a focus on principles of international cooperation and specification of the goals and targets on which the international community will focus. Stakeholders in the global partnership will then need to translate the broad consensus into partnerships that devise programs and policies to implement the new goals. One may imagine a hierarchy of partnerships from the most general, elaborated in the United Nations General Assembly, down a level to global and regional policy agreements in specialized trade, aid and other financial forums, down a level further to coordinating partnerships between individual developing countries and their providers of financial and technical assistance, and down yet an additional level to cooperation on individual projects and programmes in specific urban or rural communities.

The Development Cooperation Forum is seeking to help reinvigorate the concept of the global partnership for the post-2015 era, along with strengthening the partnership at country level. This paper aims to support that effort first by retracing the term “global partnership” from its early use in international development policy discussions to its use in discussions on achieving the Millennium Development Goals (MDGs). The paper then considers the policy initiatives and preparations currently underway for devising the post-2015 development agenda. The paper closes by suggesting that the drafters of the post-2015 development agenda take some hard truths into account, including the limited degree to which the existing partnerships have delivered on their promises. And yet, extreme poverty has fallen dramatically in the developing world, where substantial economic growth has been widespread and sustained. These facts can help shape a new partnership. The biggest danger is that Governments negotiate a fine sounding

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document that enjoys little political backing and has little influence on actual policies. That must be avoided at all costs in the lead up to 2015.

## **I. From past to present in global development partnership**

The international community has long used the concept of “global partnership” to describe a set of international trade, aid and financial policy commitments that developed countries had undertaken, either independently or in cooperation, to which were joined developing country commitments to pursue donor-recommended policies that promised to convert economic opportunities into development achievements. The concept was initially elaborated with a view to promoting economic growth and structural transformation of the low-income countries. Emphasis was later placed on improving social conditions and environmental sustainability in developing countries.

### **Early versions of the global partnership**

Constellations of development-promoting international policies have been deemed partnerships since at least the 1969 publication of *Partners in Development*, the report of the Commission on International Development headed by the former Canadian Prime Minister, Lester Pearson. Commission members met with some 70 developing country Governments and with most donor Governments and produced their report in less than a year, emphasizing its urgency. The Commission had been convoked in 1968 by the new World Bank President, Robert McNamara, in order that:

“it elaborate an [international] aid strategy based on a convincing rationale, that could be used to attack effectively the wariness of will so increasingly evident. For various reasons, some having to do with domestic problems and balance of payments difficulties, some relating to the public’s judgments about ‘waste and corruption’, a number of the major donor countries were decreasing their foreign aid appropriations. In doing so, they were (and are) endangering the very viability of an international political idea that, until 1961, supported a rapidly increasing flow of concessional development finance from the richer to the poorer countries...” (Kilburn, 1969).

The Commission proposed that donors provide 0.7 per cent of gross national product as official development assistance (ODA).<sup>2</sup> The Commission recommended that the ODA target be achieved “by 1975 or shortly thereafter but in no case later than 1980” (Pearson Commission, 1969, p. 149). In addition, the Commission observed that effective partnership requires that the actions of both sides be subject to scrutiny and it called for supportive trade and investment policies, arguing that “inconsiderate” trade policies could nullify the effects of increased aid (Kilburn, 1969).

The Pearson Commission thus highlighted several central and continuing aspects of the global development partnership. First, it was donor-driven, addressed primarily to donor

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<sup>2</sup> This was not the origin of the concept of an ODA target, as the World Council of Churches had circulated a statement to all UN delegations in 1958 proposing a target for grants and concessional loans of 1 per cent of national income (see Führer, 1996, p.7).

Governments who were being asked to finance the partnership. Second, it recognized that numerous policies in developed and developing countries impact the development trajectory of developing countries, not only those under the responsibility of aid ministries. Indeed, developing countries had themselves pressed this latter point on the international community since at least the early 1960s, calling for international attention to their trade policy needs, which they felt were not being addressed in negotiations under the General Agreement on Tariffs and Trade (GATT). Developed countries accepted this point leading to the initial United Nations Conference on Trade and Development (UNCTAD) in 1964 (UNCTAD, 1985, pp. 8-10). UNCTAD would later provide the forum to negotiate a generalized system of developed country tariff preferences for imports from developing countries and several international commodity price stabilization agreements, and the International Monetary Fund (IMF) would introduce a compensatory financing facility for quick-disbursing loans to developing countries experiencing unexpected export earnings shortfalls or surges in the cost of food imports. GATT, meanwhile, adopted a set of principles on trade and development in 1965 that introduced “non-reciprocity” into the negotiations, which is to say that developing countries participating in trade liberalization negotiations would not be expected to contribute reductions in their trade barriers “inconsistent with their individual development, financial and trade needs” (Keck and Low, 2004, p. 4).

The United Nations General Assembly played an active role in the partnership as well, serving as the global coherence forum on economic and social as well as political matters. The Assembly began to look systematically at the global requirements for promoting development. That exercise was undertaken at technical level by the UN’s Committee for Development Planning (CDP), chaired by the joint recipient of the first Nobel Prize in Economic Sciences, Jan Tinbergen. It proposed that international cooperation for development for the decade of the 1970s be framed within a consistent set of targets for growth of output and per capita income of the developing countries, along with targets for the growth of their agriculture and industry, imports and exports, and financial transfers, along with policies in developed and developing countries to realize those targets. The CDP’s report was considered by a preparatory committee of the General Assembly, which had been formed to negotiate an “International Development Strategy”, which was adopted by the Assembly in 1970 (Rahman, 2002, chapter 7).

Although some Governments embraced some of the Strategy’s elements more enthusiastically than others and while some Governments entered reservations on specific paragraphs, the world had for the first time laid out a comprehensive set of projections and policies to achieve them. This also laid a specific foundation for international partnership.

Unfortunately, the world economy of the 1970s turned out nothing like what the General Assembly had foreseen, what with the collapse of the Bretton Woods system of exchange rates and monetary management in 1971, the spikes in international prices of petroleum and food that followed later, the unacceptably high rates of inflation in the developed and many developing countries as the decade advanced, and the looming sovereign debt difficulties as the decade ended.

The international community negotiated two more International Development Strategies, one for the 1980s and another for the 1990s. In each successive case, however, there seemed to be less clear cut political commitment to their implementation. Long-term economic projections

were (and are) highly uncertain exercises and are no longer in favour. The exercise was finally supplanted by the Millennium Declaration in 2000, which was comprehensive in a different sense of addressing issues of peace and security, development and poverty eradication, the environment, human rights, and strengthening the United Nations itself (General Assembly resolution 55/2).

### **The global partnership after the Millennium Declaration**

For half a century, the partnership for development whose history was traced above entailed developed countries making financial transfers and providing technical assistance to developing countries, to which they also granted trade preferences and accorded “special and differential treatment” in the give and take of global trade negotiations. The offers of assistance were generally accompanied by donor policy advice, often coordinated at country level by the international financial institutions (IFIs), especially IMF and the World Bank.

By the time of the Millennium Declaration, however, this model of the global partnership was showing signs of wear. First, with the collapse of the Soviet Union in 1992, the “Cold War” came to an end, which affected donor countries in different ways. For some, that part of the impetus to ODA that derived from competition with the Soviet bloc no longer existed. Also, in Europe, some attention shifted to the economic and political integration of eastern European countries into Western Europe and the need to address violent struggles that erupted there. These factors may have also raised the salience of long-run development and humanitarian imperatives, as strategic issues in international cooperation were less determining, at least for some donors.

Indeed, the international community held a series of major global conferences in the 1990s, including on children, education, environment, population, social development, women, food and human settlements.<sup>3</sup> In response, donors increasingly refocused their assistance on pressing social needs. Thus, the aid ministers who meet in the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) proposed a set of social and environmental sustainability goals in 1996 (OECD, 1996). They were precursors of the MDGs. Donors and the IFIs redirected their attention toward social goals such as the DAC had highlighted and away from financing structural transformation that had been the earlier focus of development cooperation, increasingly leaving it to international private sources to help finance capital formation, sometimes in active partnership with developing country Governments, sometimes as foreign direct investment and sometimes as private financing of public investment.

Meanwhile, the macroeconomic and financial policy advice of developed countries and the IFIs in the 1990s had been shaped by what one can say with the benefit of hindsight was often an excessive faith in the efficiency of markets, especially financial markets, ensnaring many developing countries in unnecessary economic crises. Credibility of IFI advice in both the academic community and on “Wall Street” was in fact tested in the Asian financial crisis and the subsequent financial difficulties of the Russian Federation, as well as by IFI support for the simultaneously unsustainable and domestically punishing macroeconomic policies of Argentina in the late 1990s.

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<sup>3</sup> For a complete list, see <http://www.un.org/en/development/desa/about/conferences.shtml>.

It was thus not out of place to ask in 2000 what sort of global partnership for development might be inspired by the Millennium Declaration. Nor was it impertinent to ask to what extent Governments would honour their new commitments. The decades-old practice of announcing a “global partnership” meant that partners would feel political pressure to make pledges to each other. Not all the pledges would be carried out. In fact, the scope of the Declaration as adopted at the Millennium Summit was very broad, focused on agreeing to goals and targets that donors had drawn from the 1990s United Nations conferences. Indeed, the selected goals abandoned all pretence of jointly promoting development in favour of collectively addressing the social issues, which is not in any way to deny their importance.

The General Assembly then asked the Secretary-General to spell out how the Declaration’s commitments should be achieved and to reassure development’s place in the ongoing global policy dialogue (resolution 55/162). In response, the Secretary-General prepared a “roadmap” report for fulfilling the commitments (A/56/326). It addressed the full range of issues in the Declaration, but it also contained an annex listing the goals and targets drawn from the Millennium Declaration, as well as specifying a set of statistical indicators to measure progress in achieving those targets. Thus, a strategy was adopted to encourage Governments to honour their Millennium pledges by quantifying the commitments, monitoring their implementation and then publicizing the results. As Governments agreed to be monitored in their support of these MDGs, this approach promised to breathe new life into the global partnership.

Nevertheless, aid flows did not begin to reflect this promise until a different kind of global agreement was forged in the Monterrey Consensus of 2002. UN diplomats preparing what became the Monterrey conference had taken a very pragmatic approach, engaging their own finance ministries and their intergovernmental representatives at other international institutions, attracting as well the interest of some financial sector and civil society stakeholders. The process began on the “floor” of the Second Committee, as it is said, and built up an important degree of political momentum around a package of policy initiatives of interest to a large number of Governments, albeit taking from 1997 to 2002 to reach fruition (Herman, 2006). The result was that Governments jointly made a wide range of policy commitments at the International Conference on Financing for Development in Monterrey, Mexico in 2002 (see A/CONF.198/11, chapter 1, resolution 1, annex). The Monterrey commitments were broader in scope than those captured in Goal 8 of the MDGs, which called on Governments to “Develop a global partnership for development”, but they shared their spirit.

Indeed, one could quickly see policy steps being taken to implement the Monterrey commitments. These included the pledges by major providers of ODA at the Gleneagles, Scotland Summit of the Group of 8 in 2005, as well as the intensified international work to increase aid effectiveness led by the DAC. One could see it as well in the Multilateral Debt Relief Initiative of 2005, which substantially deepened relief made available to a group of heavily indebted poor countries (HIPC). One could also see it in what would turn out to be intricate negotiations to honour the pledge to strengthen the voice and participation of developing countries in decision making at the IMF and the World Bank. And, while negotiated reductions in barriers to imports from developing countries were often stubbornly elusive, one could see in the multiple efforts to advance those negotiations that there had been a significant commitment to try. Meanwhile, developing countries pursued pragmatic domestic policies on monetary, fiscal and exchange-rate management (building substantial buffers of official reserves

in many cases), as well as on foreign direct investment and sovereign debt management. Moreover, interested developed and developing countries began to experiment with innovative proposals for mobilizing new and additional international resources for development (see United Nations, 2012).

If the work was not everywhere successful, it was everywhere serious. In fact, the Monterrey conference was simultaneously a new collective push for the traditional partnership for development (in particular in the focus on ODA, poor country debt cancellation and aid effectiveness) and the first time Governments meeting at the United Nations agreed to bring specific systemic shortcomings to the responsible international bodies for action. It was also agreed that progress in realizing the commitments and challenges of Monterrey and consideration of further policy needs would be reviewed in a holistic manner by Government and international institution representatives specialized in development, finance and trade in annual meetings of the Economic and Social Council and biennially in high-level dialogues in the General Assembly. They were also subject to review in subsequent international conferences, of which one was held thus far in 2008 in Doha, Qatar (A/CONF.212/7).

## **II. Preparations for a renewed global partnership**

The world economy has changed and the post-2015 global partnership for development will reflect that change. The MDGs were the initiative of donor Governments and institutions they controlled. Monterrey was an initiative of mainly middle-income developing countries, countries now often categorized as “emerging economies.” Today, more so than a decade ago, the developed countries look to the largest of these economies to help manage the global economic and financial system through the Group of 20. The actual policy content of the new global partnership will have to reflect the priorities of developed, “emerging” and other developing countries.

We already know that the scope of the partnership will be broadened in the post-2015 era. The community of nations is currently considering adopting “sustainable development goals” to which end an intergovernmental Open Working Group of the General Assembly is meeting this year at the United Nations.<sup>4</sup> Among the questions that must be addressed is how to integrate economic growth, human development and environmental sustainability in a single agenda. Meanwhile, the joint IMF and World Bank ministerial-level Development Committee recently embraced a successor anti-poverty goal that was proposed by the World Bank Group, namely to reduce extreme poverty (specified as the proportion of people living on less than \$1.25 per day) to no more than 3 per cent of world population by 2030, as well as promote “shared prosperity” by fostering the growth of the income of the bottom 40 per cent of each country’s population, both goals to be achieved in an “environmentally, socially and economically sustainable manner” (Development Committee communiqué, 22 April 2013, paras. 5-8). Besides the laudable ambition to virtually end extreme poverty once and for all, this commitment adds a focus not heretofore addressed in international goal setting regarding concern about the increasingly uneven distribution of income within countries, an unfortunate trend that many developing countries share with developed countries.

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<sup>4</sup> For additional information, see <http://sustainabledevelopment.un.org/index.php?menu=1549>.

We also know that responsibility for delivering on the new global partnership will be shared by more partners. First, as more countries move into middle-income status, they will be able to mobilize additional domestic resources and guide them into implementing their national strategies for sustainable economic and social development. Second, international assistance will still be necessary and the aid compact that has characterized the global partnership for half a century will need to be fully extended in the post-2015 era. Third, national efforts and traditional donor efforts are increasingly being complemented by a number of Southern partners, some of which have begun to come together, as in New Delhi on 14-15 April 2013, to discuss common issues and challenges in South-South cooperation.<sup>5</sup> Fourth, philanthropic foundations, which have also been playing an increasing role in development cooperation in recent years, have begun to meet among themselves to consider ways to build on their experiences for the post-2015 period, as at the special event hosted by the Economic and Social Council on 23 April 2013.<sup>6</sup> And fifth, it is increasingly common for ad hoc multistakeholder consultations to take place around specific issues, such as at the Partnership Forum organized in the Economic and Social Council on 24 April 2013 that brought together Government officials, international organizations, foundations and business innovators for discussions that included “Partnership Clinics” on neglected tropical diseases, maternal health (“mobiles for midwives”), innovative design solutions for poverty reduction and innovations in education.<sup>7</sup>

And thus more players with more diverse agendas may participate in defining the partnership to deliver more development goals. It is too early to see what impact these new configurations might have. At best, one may consider the preparations for that partnership at global and at country levels and directions to which they might point.

### **Partnership at global level**

Governments will forge the new global partnership in the General Assembly, taking into consideration the various strands of preparatory work, including by the aforementioned Open Working Group on sustainable development goals. A second stream of intergovernmental preparatory work is to be provided by a committee of experts to be appointed by Member States that is tasked to assess financing needs, consider the effectiveness, consistency and synergies of existing instruments and frameworks, and evaluate additional initiatives. Creation of both of these committees was decided at the UN Conference on Sustainable Development (Rio+20) in June 2012 (General Assembly resolution 66/288, Annex, paras. 248-250 and 255-257). However, the first session of the Open Working Group was not held until 14-15 March 2013 and the financing committee has yet to be convoked as of the time of writing (May 2013), almost a year after the Rio conference. The Assembly itself will enter into deliberations on a post-2015 development agenda in due course.

Several strands of staff work have also been set in motion to support the intergovernmental processes. In September 2011, anticipating the approach of the MDG target year of 2015, the Secretary-General established the UN System Task Team on the Post-2015 Development Agenda, bringing together over 50 UN agencies and international organizations to

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<sup>5</sup> For additional information, see <http://www.un.org/en/ecosoc/newfunct/dcfdelhi.shtml>.

<sup>6</sup> For additional information, see <http://www.un.org/en/ecosoc/newfunct/dcfphilanthropic2013.shtml>.

<sup>7</sup> For additional information, see <http://www.un.org/en/ecosoc/philanthropy2/>.



assess efforts within the UN system, consult external stakeholders, and define a system-wide vision and road map to the post-2015 development agenda. The Task Team has adopted a broad view of development and conceived the post-2015 agenda not as a set of specific strategies or policies but rather as guidance for priority setting at global, regional, national and sub-national levels. It has published two reports thus far (UN System Task Team, 2012 and 2013), the second focused on desirable aspects of a new global partnership. In addition, the UN Development Group, which brings together the 32 UN entities directly engaged in development activities, set in motion national consultations in more than 60 countries, as well as 11 thematic consultations and a global survey (UN Development Group, 2013). The UN regional commissions have organized regional consultations<sup>8</sup> and a number of other stakeholders have undertaken their own initiatives. In addition, in July 2012, the Secretary-General invited a high-level group of eminent persons, drawn from Member States, local-level government, the private sector, academia and other civil society, to consider a post-2015 development agenda.<sup>9</sup> It is to submit its report to the Secretary-General during May 2013.

One may wonder how the mass of reports and recommendations from Secretariat and intergovernmental processes will be filtered by Member States in the General Assembly as they seek to produce a concise statement of global development vision, priorities and cooperation commitments. The development agenda that the Assembly prepares will have to inspire stakeholders at national, institutional and non-governmental levels. Many quite appealing proposals will be rejected in the end as politically unrealistic. There seems to be much idealism in the proposals, both in terms of proposed goals and how various stakeholders might voluntarily contribute to their realization without negative side effects. One observer commented to this author in private that the preparations seemed to him much like “magical thinking,” the idea that merely thinking or believing in something will make it come true. The international community must be wary of deflating expectations too much, as some stakeholders may then withhold support for the partnership. There is a need for political leaders to step forward and begin to drive the process.

### **Partnership at country level**

The partnership for development at the level of individual developing countries generally refers to the relations of an aid-receiving Government with its aid providers. How this functions in practice depends on political relations of the providers with each other and with the assisted country. The effectiveness of the partnership is only made more complicated by the participation of additional providers and investors that may have different priorities than those of DAC donors, the major IFIs and the aid-receiving Government, and that follow different processes for closing cooperation “deals” and investments.

An example of the complexity is the difficulty imposed on some countries by so-called “vertical funds” that focus on one public policy problem in multiple countries, such as addressing HIV/AIDS. Such a fund may make an attractive offer of support to a developing country Government on condition that it implements the donor’s proffered program, which may cause the aid-receiving country to delay addressing greater national priorities in order to take

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<sup>8</sup> See <http://www.regionalcommissions.org/africa2015.pdf>.

<sup>9</sup> See <http://www.un.org/sg/management/hlppost2015.shtml>.

advantage of the grant offered by the vertical fund (United Nations, 2012, pp. 115-124).

The problem of aid coordination seems to have existed as long as countries have been receiving aid from multiple providers. In fact, improving aid effectiveness was one of the original reasons that the DAC was formed in 1961.<sup>10</sup> It has been a perpetual preoccupation. For example, the DAC decided to strengthen its emphasis on aid effectiveness in 1979 when it adopted guidelines for improving aid implementation. This concern was reflected again in 1983 in the consideration of ways to improve coordination at country level, one approach being to expand the number and effectiveness of World Bank country aid consortia and the donor round tables organized for least developed countries at the time by the United Nations Development Programme (UNDP). The DAC returned to the question in 1986 when it adopted guiding principles for aid coordination, concluding that central responsibility lies with the aid-receiving country. It also specified a set of good procurement practices. The 1985 report of the DAC Chair had drawn a number of conclusions from its first 25 years of experience that are still relevant, including that:

- Aid can only be as effective as the policy, economic and administrative environment in which it operates.
- Greater emphasis should be given to ensuring the commitment of recipients' executing agencies and the motivation of local target groups through their active involvement in selection, design and implementation.
- For donor advice in the policy and programming dialogue to be credible, it must be competent, reflect full understanding of the variety of economic and other constraints facing the developing country, and must be backed or at least accepted by all significant donors. A profusion of conflicting advice from a multiplicity of donors is counterproductive.
- International aid co-ordination arrangements with recipient governments should be further strengthened and lead to specific, operationally relevant conclusions, based on genuine consensus. Once consensus on priorities has been reached, it is essential that these priorities be respected by all participants.
- Donor competition for attractive projects remains a problem.<sup>11</sup>

The DAC continued its emphasis on aid effectiveness into the new Millennium, with a special initiative after the Monterrey Conference that became its Paris and Accra process, which was agreed at large meetings of donor Governments and IFIs with selected aid-receiving countries and civil society organizations. The Paris Declaration on Aid Effectiveness (2005) established a number of principles for donor and partner countries, including “ownership” by the receiving country of the donor’s programme; “alignment” of the assistance with national development strategies, institutions and procedures; “harmonization” of donor programmes, as by simplifying the work of aid-receiving countries by instituting common procedures for reporting to different donors; “managing for results”; and “mutual accountability” of the donor and recipient. It included 13 targets to be reached by 2010 to implement the 5 principles. The second meeting agreed an Accra Agenda for Action (2008) to accelerate progress on

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<sup>10</sup> As per the “Resolution of the Common Aid Effort” (resolution creating the Development Assistance Committee), London, 29 March 1961, reprinted in Fürher (1996, p. 11).

<sup>11</sup> As cited in Fürher (1996, p. 40).

implementing the principles.

In the end, the outcome was mixed, based on an OECD survey of 78 aid-receiving Governments in 2011, covering about 75 per cent of the core ODA provided to all developing countries and territories. OECD reported considerable progress on many of the targets, albeit with more reforms implemented by the developing than the donor Governments. However, only one of the targets was achieved by 2010, namely that technical cooperation programmes in *half* the aid-receiving countries would be provided through donor-coordinated programmes that were consistent with partner national development strategies. Moreover, instances were cited in which technical assistance to civil society in developing countries included unwanted pressure to adopt donor viewpoints, and capacity development programmes were said to be still largely driven by donor supply intentions rather than the needs of aid recipients, although several donors had reform efforts underway to address such concerns (OECD, 2012, pp. 33 and 37).

The Paris and Accra process concluded with the Fourth High-Level Forum on Aid Effectiveness, held in Busan, Republic of Korea in 29 November - 1 December 2011. It produced a new framework denoted “The Busan Partnership for Effective Development Cooperation”, and a new international process to monitor and encourage reform. It means to replace the more or less “vertical” set of donor/recipient relationships in Paris/Accra with a more “horizontal” one of partners. A 15 member steering committee composed of donor and recipient countries, representatives of the IFIs, the UN, the DAC and civil society is meant to turn the Busan discourse into concrete action. Most notably, the new Global Partnership has now produced a set of targets and indicators that are proposed for use by the countries and institutions that wish to participate in monitoring the implementation of their commitments in the Busan Agreement (Global Partnership, 2013).

While the United Nations is both a member of the post-Busan steering committee and through UNDP shares responsibility with OECD for servicing the post-Busan process, the UN also offers through its Development Cooperation Forum (DCF) a more universal and multistakeholder meeting place for sharing experiences on strengthening the effectiveness of development cooperation. The DCF also serves as the global forum on “mutual accountability”, where its universality can lead to stronger actions on accountability. The DCF offers opportunities for a “broader dialogue involving more stakeholders in a continuing official forum.” It can offer opportunities to discuss and advocate taking action on “dimensions [of cooperation] that are of concern to stakeholders but which might not get an adequate hearing in more limited forums,” such as on how increasing the predictability of aid might strengthen recipient country capability to make longer-term plans or how increasing donor flexibility in aid delivery might enable quicker responses to economic shocks or changes in developing country priorities (United Nations, 2012c, p. 21).

The United Nations has also served as a forum for consideration of concrete, implementing partnerships. In particular, the General Assembly has monitored such partnership activities and provides a normative framework for them.<sup>12</sup> One particular form that has been of policy interest for many years but is increasingly discussed is the so-called “public private

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<sup>12</sup> See the most recent Assembly resolution (66/223), adopted 22 December 2011, in a series stretching back to 2001, each one called “Toward global partnerships.”

partnerships” (PPPs). In various configurations they bring private business into public activities with some measure of government guarantee or support. Some PPPs have been judged quite successful.<sup>13</sup> Others have been assessed more critically, in particular when it comes to the so-called catalytic provision of ODA grants to private companies (Kwakkenbos, 2012). In the spirit of improving the effectiveness of such partnerships, the United Nations Secretariat actively seeks to facilitate appropriate business partnerships, as well as partnerships with foundations and other stakeholders.<sup>14</sup>

In the end—and partnership rhetoric aside—the actual partners have disparate national interests. If after half a century of trying, DAC donors have not been willing to fully cooperate with each other or implement reasonable principles of aid effectiveness, it must be for a deep reason. It is clear that governments contain strong political forces that exert a strong centrifugal pull on effective aid coordination. One need not be a cynic to say this model of partnership will not work.

In the end, what matters most to the effective use of aid is the capacity of the developing country Governments to take the lead, set their national development strategies, and translate them into medium-term spending plans and annual budgets into which they integrate those offers of assistance that most meet their needs. Many aid-receiving countries need international support to carry out these functions, as well as stronger capacity to undertake appropriate social and environmental impact assessments, indeed, to consult widely with the communities to be affected both positively and negatively by proposed projects. The Government that does not effectively consult with affected stakeholders before a project is begun may face public opposition when adverse consequences begin to appear. The Government that does consult effectively will have political ownership of its aid-financed projects and programmes and have aligned them with their national priorities. And with the benefit of advance planning and consultation, the developing country may be able to more quickly close implementing cooperation agreements, which is a high priority (Greenhill, Prizzon and Rogerson, 2013).

### **III. How much has the global partnership delivered since 2000**

It is a practice in international development diplomacy that one attributes good outcomes to the global partnership for development, especially as the international community is currently working hard to update that partnership for the post-2015 era. In fact, only some of the MDGs are on track to be achieved by 2015 and it is not obvious that the partnership per se delivered the successes that are being attained. Indeed, the pledges of cooperation that are collected as Goal 8 of the MDGs are themselves only partly being fulfilled. Ironically, the factor that was a main focus of the earlier global partnerships and was not embraced in the MDGs—namely, economic growth and development per se—seems at the root of much of the success that is being achieved.

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<sup>13</sup> For cases in basic education, health, water and sanitation, as prepared for discussion at the 2005 High-Level Dialogue in the General Assembly on Financing for Development, see World Economic Forum (2005).

<sup>14</sup> See <http://business.un.org/en> and <http://www.un.org/partnerships/>, respectively.

## Progress in achieving the MDGs

The pace of progress in achieving the MDGs by the 2015 target year is quite mixed. The first target, which is to halve the proportion of people living in extreme poverty in the developing world, was met in 2010, five years ahead of schedule. This is an encouraging development, even if it leaves behind almost one billion people and even if the standard of living represented by the \$1.25 per day income that defines “extreme poverty” is barely life sustaining.

In addition, parity was reached in the ratio of girls to boys in primary education, although the rate of completion of primary school lags significantly behind the MDG target. The target of halving the proportion of people without access to improved sources of water has also been reached, as has the target to improve the living conditions of at least 100 million slum dwellers. Nevertheless, as water quality is not well measured in many countries, it is believed that the number of people enjoying “safe” water supplies is significantly overestimated by the indicator, while the target for slum dwellers did not take account of the rapid urbanization taking place in the developing world, where the number of slum dwellers is estimated to have risen from 650 million in 1990 to 863 million in 2012.<sup>15</sup>

The degree to which MDGs 1-7 are being met is mapped in figure 1 below. It shows in the yellow columns, the per cent of the 2015 target that should have been achieved by the latest year for which data were available (2010 or 2011). The orange columns then show the actual per cent of the achievement; e.g., while 84 per cent of the target for primary school completion should have been achieved by 2011, only 50 per cent of the target was actually achieved.<sup>16</sup> As may be seen in the figure, there are serious causes for concern regarding completion of primary school, as well as infant, under-5 and maternal mortality, and access to basic sanitation, each of which depends heavily on government social expenditures and investments.

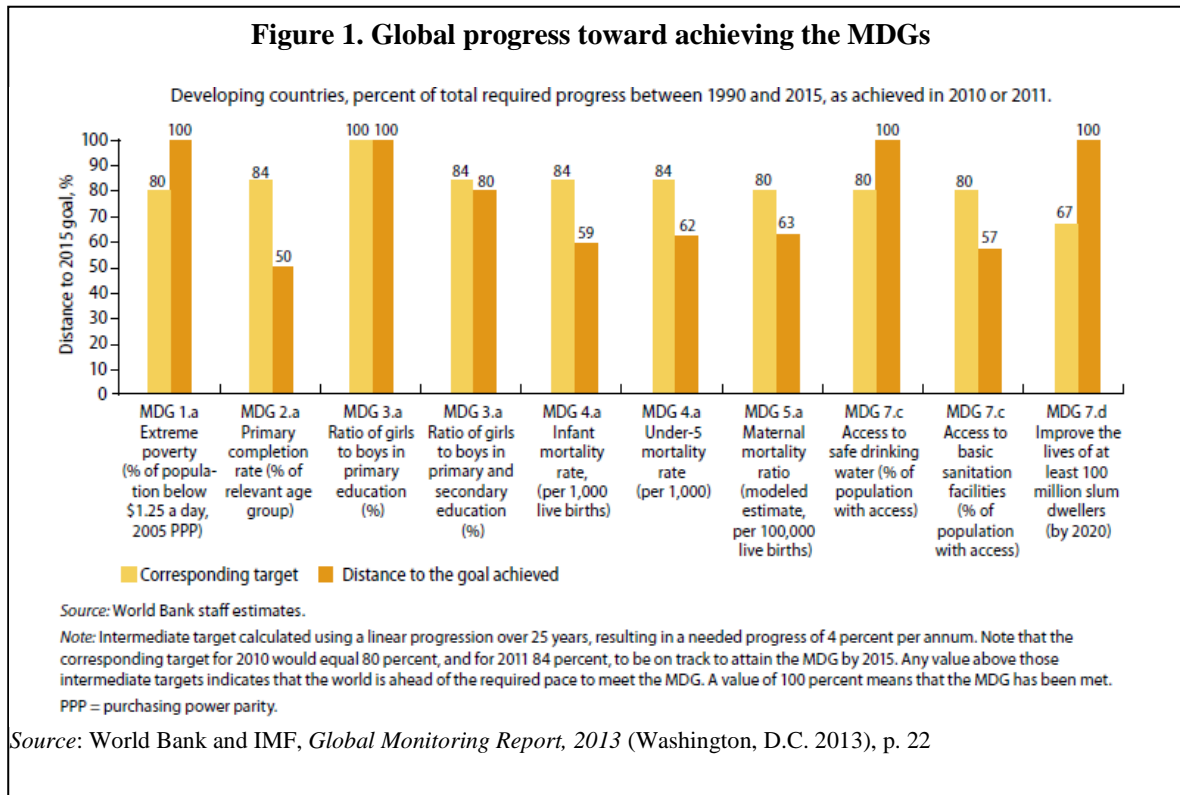
## Delivering on cooperation commitments

The shortfall in reaching certain MDGs (let alone the low thresholds for those that are being achieved) directs one to ask about the state of the global partnership that was meant to help realize the goals. The inter-agency MDG Gap Task Force reports on the degree of achievement of the commitments in the global partnership, which are collected as MDG 8. While the Task Force is currently preparing its 2013 report (for publication in September 2013), some data has already been released by members of the Task Force. There are a number of positive outcomes, including an increase in duty-free and quota-free developed country imports from least developed countries (LDCs) associated, at least in part, with the clarification of rules of origin for according preferential access by the European Union. In addition, the HIPC debt relief initiative is near completion and there is continued growth in the availability of information technology in developing countries, particularly cell phones. However, the negotiations to complete the Doha Round of trade negotiations remain stalled, 17 low-income countries are currently classified by IMF and the World Bank as in or at high risk of debt distress,<sup>17</sup> access to

<sup>15</sup> As the 2013 *Millennium Development Goals Report* is currently in preparation, the figures cited have been drawn from the 2012 report (United Nations, 2012a).

<sup>16</sup> The target is universal access by 2015; net enrollment in 1991 was 79.9 per cent (United Nations, 2012b).

<sup>17</sup> “List of LIC Debt Sustainability Assessments” as of 4 April 2013 (<http://www.imf.org/external/pubs/ft/dsa/dsalist.pdf>).



affordable essential medicines remains unacceptably limited, and total outlays for ODA are contracting. The latter is especially of concern.

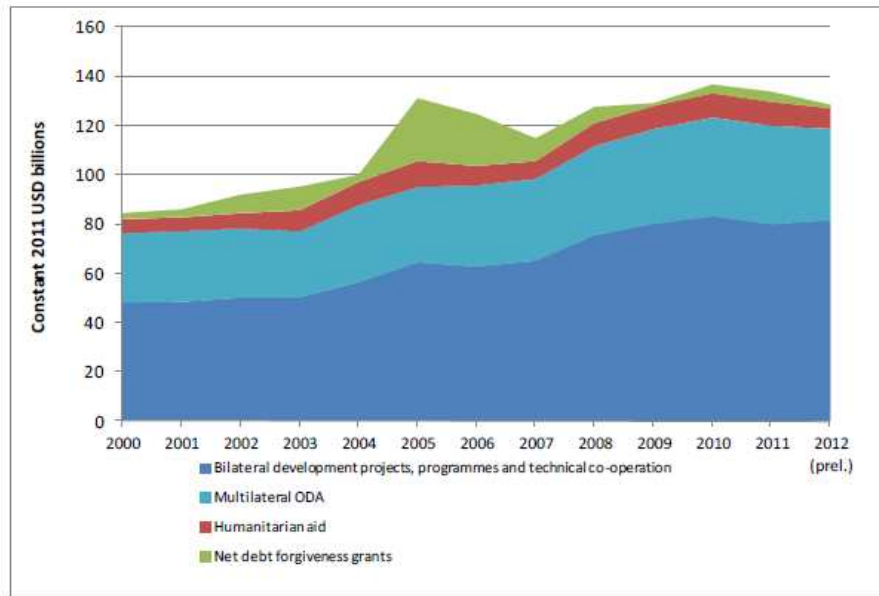
Measured in constant purchasing power, ODA from 25 DAC member countries is estimated to have fallen 4 per cent in 2012, after falling 2 per cent in 2011 (see figure 2). Bilateral aid to the LDCs fell almost 13 per cent. While 9 donor countries increased their aid in 2012, the reductions by others made for the largest overall reduction in aid since 1997 (excluding the DAC practice of counting donor Government debt relief as ODA, which is in any case controversial). This also marked the first two-year reduction since 1996-1997. While total ODA still represents a large pool of financial and technical support, totalling \$126 billion in 2012, the donors as a group are clearly not advancing to the UN ODA target of 0.7 per cent of gross national income; the ratio in 2012 was 0.29 per cent.<sup>18</sup>

Moreover, the DAC Secretariat surveys donors about their future spending plans and they paint a disappointing picture. Including assistance from a number of non-DAC members, “country programmable aid” is expected to grow 9 per cent in 2013 but then remain flat through 2016. Moreover, the aid flows appear to be shifting to middle-income countries of Asia (especially in the form of concessional loans) and away from the countries with the largest

<sup>18</sup>OECD, Press release, 3 April 2013 (<http://www.oecd.org/dac/stats/aidtopoorcountrieslslipsfurtherasgovernmentstightenbudgets.htm>).

poverty levels and MDG gaps, including in sub-Saharan Africa.<sup>19</sup>

**Figure 2. ODA by DAC member countries, 2000-2012**



Source: OECD, 3 April 2013.

### Stronger and sustained economic growth

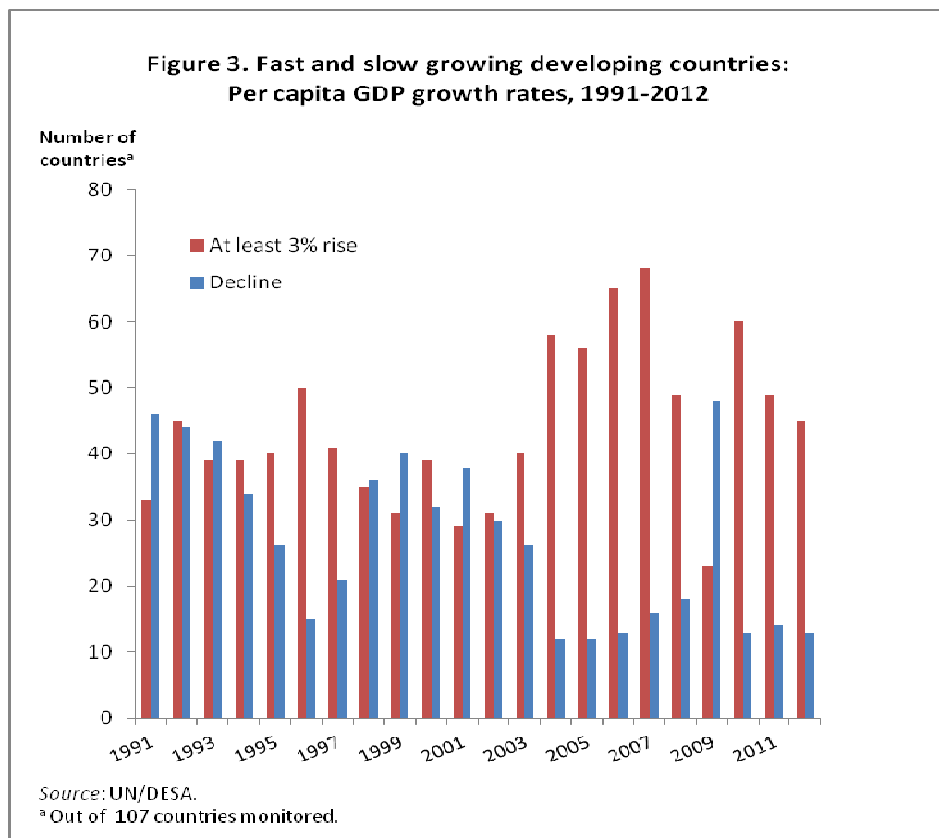
Observing encouraging statistics on poverty reduction and at the same time disappointing progress towards the education, health and basic sanitation targets suggests that perhaps poverty reduction may have been more the result of economic growth than social policy. It is often said in the press that the achievement of the poverty reduction goal primarily reflects the strong and sustained economic growth in China and India. While nothing should detract from the growth achievement in these countries, the higher rates of growth of output and incomes were also enjoyed by many other developing countries, and at least some of that rise in income has apparently been enjoyed by the poor. During the present decade, the global economy presented various growth stimuli, such as strong commodity prices, and these were widely captured by developing countries. The fact is that many countries have enjoyed sustained and strong rates of economic growth over the past decade and far fewer countries have had disappointing rates of economic growth.

Figure 3 gives an indication of this development by showing in red the number of developing countries in which the growth of gross domestic product (GDP) *per person* was at least 3 per cent on a year-by-year basis since 1991. The figure also shows in blue the number of developing countries where GDP either fell or grew less than population on a year-by-year basis.

<sup>19</sup> Ibid.

It may be seen that except for the impact on developing countries of the global financial and economic crisis in 2009, a large number of developing countries have enjoyed substantial economic growth rates over the past decade and a smaller number of countries have experienced relatively slow or no growth.

As individual good years of economic growth might be offset by disappointing years, it is useful to supplement the annual data in figure 3 with longer run trends. The differences that can be seen in the figure between the 1990s and the subsequent decade are indeed representative. That is, 39 developing countries (of 107 that are monitored for purposes of UN world economic forecasts) had average annual rates of growth of GDP per capita of 3 per cent or more during 2000-2012 and only 13 countries had average per capita GDP growth of zero or less. This compares quite well with the 1990s, when only 30 countries had the rapid average growth rate but another 30 countries had per capita growth of zero or less. Moreover, most of the rapidly growing countries in the 1990s continued to enjoy rapid growth afterwards. Indeed, 31 countries have had average rates of growth of GDP per capita of 3 per cent or more for the full 22 year period.



Economic growth does not automatically translate into poverty reduction, but whether it reflects better remuneration of farmers for their crops or drawing more of the poor into manufacturing jobs, broad-based economic growth has always been a primary means for poverty reduction. A key factor in sustained and inclusive economic growth and poverty reduction is ensuring that significant shares of the fruits of growth are used for capital formation and adding



to the public resources for social development. Developing country Governments have been increasingly addressing this imperative and the international community can further boost the support it gives in this regard.

It is essential, in other words, that governments maintain appropriate and effective public revenue and expenditure systems, that tax evaders are held accountable, and that the tax systems stop offering opportunities for tax avoidance. It is similarly essential that countries benefit appropriately from the earnings of their natural resource sectors and that funds that belong to the public are not siphoned off through corruption. While there is nothing new or unique in these observations, they seem to have become increasingly salient in recent years and actions on them, including intensified international cooperation, hold out significant promise for making greater progress in realizing the MDGs and the social, economic and environmental goals of development. They imply, as well, a global economy in which developing economies can thrive, one that enjoys significant, sustainable and sustained growth of world output in a stable global financial environment and a liberal world trading system, offering protections as well as opportunities to the weaker economies of the world. These are, in the end, a few of the areas on which a new global partnership might place emphasis.

### **Conclusion: towards a new global partnership for development**

As this paper has tried to illustrate, the phrase “global partnership” has been used in international development discourse for half a century. In the post-2015 era, it needs to mean something new and different. To be valuable, the “global partnership” must refer to an ongoing relationship, not a list of commitments stated in noncommittal language. It must involve actual mutual acceptance of responsibilities and it must be quickly followed with actions that give evidence that the partnership is real. It may be hoped that the Governments at the United Nations find their way to create these relationships. They did so in the Monterrey process. They can do so again.

There is a practice of diplomats at the UN of trying to win policy changes through negotiation over texts. What may change are the words, but actual government buy-in is created in a different way. The point is not that governments at the UN should break up the standard mechanisms for negotiations on economic issues, but they should take a break from doing so much negotiation. The genius of the process that led to the Monterrey Consensus in 2002, discussed earlier, was to avoid negotiation over texts until the very last minute and instead spend the time seeking through informed debate among relevant stakeholders and government experts to unearth the areas where agreement on policy matters might emerge.

The final text of the outcome document that defines the post-2015 agenda has to be welcomed enthusiastically, if only because only moral imperatives, not legal ones, will lead to the delivery of cooperation commitments. Judging from the experience in monitoring the MDGs—and MDG 8 in particular—it does not seem that “naming and shaming” has led Governments to change their mind when they adopt policies that give low priority to accelerating progress toward the MDGs. This is all about that famous intangible factor called “political will.” It cannot be presumed. It must be created during the process of constructing the post-2015 agenda.

In other words, an uninspiring text containing few real commitments will be quickly forgotten. That was exactly the fate of the *Agenda for Development*, which had been negotiated over four years and adopted in a special meeting of the General Assembly on 20 June 1997 (resolution 51/240, annex). The global partnership post-2015 needs instead to embrace a shared vision, embody an acceptable sharing of obligations and responsibilities, and embrace a package of commitments attractive enough for the partners to mean it when they join it.

The vision could be phrased as something like the sustained, equitable and sustainable development of all countries, targeting full poverty eradication everywhere in the world. The “partnership” would spell out the “deal” for attempting to realize the vision, reflecting the political realities of 2015. An underlying principle of the partnership might be that shared global governance needs to support effective national governance (strengthened international cooperation on tax and anti-corruption activities would be cases in point). A second principle might be that Governments must offer some prospect of fully implementing already agreed reform agendas (such as regards the global financial architecture and its governance, as they are crucial to global financial stability, a key dimension of an enabling global environment for development); equally, Governments must make credible advances in virtually stalled global negotiations (as on trade and climate change). As there is also unfinished business in assisting developing countries, Governments must also pledge to make (and then deliver) a substantial increase in ODA, while welcoming intensified South-South cooperation and an increased contribution of non-state stakeholders. A final principle would be to recognize that the citizens of the world understand that anything less will not warrant their serious attention.

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