



Centre for
**Global
Cooperation
Research**

Report of the 13th Käte Hamburger Lecture

The Global Partnership for Effective Development Cooperation: Origins, Actions and Future Prospects

with Dr. Talaat Abdel-Malek

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*The 13th Käte Hamburger Lecture addressed the topic of 'The Global Partnership for Effective Development Cooperation: Origins, Actions and Future Prospects'¹ with **Dr. Talaat Abdel-Malek**, former Senior Economic Adviser to the Minister of International Cooperation in Egypt and former chair of the OECD/DAC Working Party on Aid Effectiveness. The lecture took place on 9th September 2015 and was organized by Käte Hamburger Kolleg / Centre for Global Cooperation Research (KHK / GCR21) in cooperation with Deutsches Institut für Entwicklungspolitik / German Development Institute (DIE).*

The lecture was introduced with welcome remarks by **Dirk Messner**, Co-Director of KHK / GCR21 and Director of DIE. In his speech, he emphasized that there are a number of positive trends regarding the idea of global partnership. He considered the United Nations Sustainable Development Summit 2015 in New York as a big step forward, as the agreed universal target system holds all countries, not only developing or emerging countries, accountable for fulfilling the set out goals. Additionally, he recognized that there is hope for good news on the upcoming Paris Conference on Climate Change in December. However, there are also other trends: the financial crisis is still there, the Ebola crisis – although almost forgotten – revealed severe governance problems, and the refugee crisis is still far from being solved. Even more, the number of violent conflicts is on the rise internationally after decades of decay. Messner therefore raised the question whether 2015 is an exceptional year or the new normal. To him, it is the new normal, and the international community needs to learn how to manage these issues. According to Messner, against the mentioned background, the case of effective development cooperation serves as a positive example of how to tackle these new challenges.

Lecture

Abdel-Malek began his lecture by drawing a picture of the world as it has been since the early 2000s, when the OECD/DAC launched its new approach on formulating a common strategy and actions as well as on agreeing on common goals in development aid. In a new world of contradicting transformations, the former contrast between struggling regions on the one hand and stable regions on the other hand ceased to be drawn. Nowadays, crises like the Arab spring or the Greek public finance crisis have a global reach, and there are no quick fixes to these problems.

Although many would argue that the Official Development Aid (ODA) has lost its importance with its shrinking share in GDP of the recipients' countries, Abdel-

¹ The lecture is based on the newly published book by Talaat Abdel-Malek of the same title and published by the DIE.



Malek argued that development aid cannot be judged quantitatively, but must be evaluated qualitatively. To him, aid is to be perceived more as a catalyst to accelerate the pace of reform and development policy and less as sums of money.

He continued by reviewing the evolution of high level fora before Busan 2011, which he co-chaired. In 2003, the first forum was held in Rome. The central question there was how to improve harmonization and coordination among donors. He criticized that developing countries were only invited to the conference for decorative purposes. Although it was not the case that they were not heard, they were simply overwhelmed by the sheer majority of donor countries. As a result, he said bluntly, while commitments were made, two years later, none of them were fulfilled.

In Paris 2005, he elaborated, the now famous Paris Principles of Effective Partnership were agreed upon, including accountability and ownership. The recognition that aid issues are a joint responsibility of donors and recipients was a revolutionary step to Abdel-Malek, and it was widely accepted as a shift towards a stronger balance between developing and developed countries.

When in 2008 growth started to slow down and the financial crisis hit the economies of donor countries, priority of their government is to look after themselves and to cope with the domestic problems. One of the victims of this situation was ODA, for which the budget of most countries was cut down or ceased to increase. Against this background, the third forum in Accra 2008 was held. Consequently, the focus here shifted towards effectiveness. For receiving countries, it was less about how much money they got, but more about what they should do with it to produce results. Additionally, for the first time civil society actors were included as official participants in the forum. Along with the official inclusion of NGOs as participants came the recognition that development was not an issue limited to governments only.

In anticipation of the next high level forum in Busan in 2011, two co-chairs for the OECD/DAC Working Party on Aid Effectiveness were appointed, one from a donor country and one from a receiving country. Together with Koos Richelle, then Director General of EuropeAid, speaker Abdel-Malek 'received the honour', as he emphasized, to co-chair the working party.

Abdel-Malek quickly realized that they faced a task that was prone to failure with the impending deadline set for less than two years. Many steps were taken so that the working party could complete their tasks in time. Instead of going through all 56 issues on the agenda of the working party, they identified and prioritized six issues. To cope with the challenge of having to reach consensus





among 90 delegates who represented different interests, Abdel-Malek emphasized that voting had always been avoided. The members of working party would rather discuss the matter at length until unanimous agreement was reached. According Abdel-Malek, this was a crucial way to reach lasting consensus.

Consensus and negotiation were always an important part of the working party. Abdel-Malek illustrated this through the case in which the size of the executive committee was to be reduced to twelve delegates. The size reduction, suggested by the two chairs, was meant to increase the efficiency of the working party. Surprisingly, the suggestion was met with a strong protest by the working party members. Yet after rounds of negotiations, consensus was reached that 25 delegates were to be nominated for the committee. 'Was it as effective? Certainly not', Abdel-Malek noted. But compromise had to be found. And **the art of compromise was certainly necessary** to the working party so that it could achieve the main task: To produce a life document, a draft that would be presented at the forum in Busan 2011 and which hopefully would be endorsed.

Abdel-Malek continued by elaborating on what he categorized as two types of negotiations, soft and hard ones. The soft negotiations were the ones between the delegates which met three times a year. In the meetings, issues were hammered out paragraph by paragraph. Despite harsh critics from the media on how the delegates spent time and financial resources on a vast number of meetings, the working party, as Abdel-Malek emphasized, achieved its level of ambition which would last longer than Busan, and take the development community beyond Accra and Paris.

The phase of soft negotiations lasted about twelve to 14 months and ended in early October 2011, a few months before the high level forum in Busan. Abdel-Malek considered that consensus on an advanced draft had been reached. They believed that only a few more formal negotiation sessions were needed to come to an agreement and to finalize the tasks. 'How naïve and simplistic and optimistic were we', he declared looking back at that time.

What happened after this point is what he described as a 'nightmare'. At the first meeting, 16 members of the working parties were elected to be Sherpas who insisted to 'review this final draft again. Paragraph by paragraph, sentence by sentence, word by word'. Abdel-Malek had no other option but to do just that. What he learnt in this phase of the 'hard' negotiation process was that negotiations are not over as long as they are not officially over. He stressed on three issues which he described as being 'sticky' in these 'hard' negotiations.



The first one concerns civil society actors who insisted on being perceived as **equal partner** and that the phrasing on the improvement of domestic and international environment should reflect the equal status. ‘Some representatives of governments said: “Over our dead bodies”’, Abdel-Malek noted. However, through intensive negotiations and text adjustment, the representatives of the civil society pushed their point through. He considered this to be one of the biggest achievements of Busan 2011.

The second issue was the use of the **country systems**. Many aid providers were reluctant to use local administrations as a unit for aid funds distribution. It was argued that the local administrations are less efficient and sometimes even corrupt. Although many developing countries have improved their systems over the year and gained the general approval of industrial countries, providers were still reluctant to use the system to distribute development funds.

The third and, to Abdel-Malek, the most controversial issue was how to engage with China, India and Brazil. After an intensive last-minute negotiation, as he described it, on the terms of their joining, the Sherpas finally agreed. One of the key issues was that the governments of the mentioned states favoured a voluntary approach of their commitment. But in order to convince the rest of the delegation of their participation, he managed to have them refrain from voluntariness.

In the end, agreement was found and the paper of Busan was endorsed officially. After this long process, Abdel-Malek noted that he remained optimistic. Furthermore, he mapped out four goals ahead that need to be reached.

The first and most important challenge is **to facilitate behavioural change**. Especially the voluntary approach, which is still being demanded by many actors, needs to be overcome or adjusted by creative incentives. The second issue was **to ensure the balance of commitments** between recipient and donor countries, a balance that for a long time was solely in favour of donor countries. The third urgent issue was finding ways **to engage with emerging countries**. While it is impossible to ignore the three huge economies of China, India and Brazil, the major problem is that the international development community treated these very different countries homogeneously. As the fourth point, Abdel-Malek saw the need **to expand the operational capacity** of the development partnership. While he did not question the approach of strong country capacity and a slim international administration, he remarked that the institutions at the global level still needed to be solvent to fulfil their task.

Finally, he summarized what lessons he learnt during his time as a co-chair of the working party, and highlighted five points:



- Institutional development is crucial for development.
- Bureaucracies at all levels are famous for resisting change, and implementing reform requires leadership.
- Political dimension of aid management is as important as technical issues.
- The switch from the donor-recipient to a partnership mode requires more than pledges.
- The rise of private foundations is a welcomed addition to the landscape, as it challenges the traditional actors to be more effective.

Comments

The lecture was followed by comments from **Uwe Gehlen**, Federal Ministry for Economic Cooperation and Development, and **Sushil Kumar**, Research and Information System for Developing Countries (RIS), and an open discussion with the audience moderated by Dirk Messner, Co-Director of the Centre and Director of the DIE.



Relying on his experience at the World Bank, Uwe Gehlen emphasized that the emergence of countries like China will have an impact not only on the rules of how politics is made internationally, but also on how we negotiate the rules. Consequently, policy makers need to be aware of these changes in order to reach long term aims. Secondly, he observed the imbalance between the exaggerated need for reform and the time resource. While there was a tendency to reform everything and to 'overheat' the system, time for consolidation is barely considered or provided.



After reviewing the book, Sushil Kumar, coming from an emerging economy himself, emphasized that more needs to be done for a greater alignment, especially among old donors and the now emerging donors of the south.

In the Q&A session, discussion revolved around the question of behavioural change in aid distribution and in developing countries. Abdel-Malek pointed out that the difficulties lie primarily in a problem of information. He illustrated that with the example of India and China where two thirds and half of its population (respectively) are not aware of the climate change problem. Responding to a different question, he emphasized that we need to find a new way to manage the challenges of the new century. This required the inclusion of developing countries.

Report written by Patrick Clasen, October 2015