

Creating a Global Partnership for Effective Development Cooperation

J. Brian Atwood

October 2012

www.cgdev.org/content/publications/detail/1426543



ABSTRACT

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development has pursued its public-value mission of development and poverty reduction in a variety of ways over the past 51 years. Its focus has been on creating peer pressure to maintain a sufficient volume of official development assistance; making development cooperation qualitatively more effective; and, in more recent years, attempting to rationalize a growing, increasingly fragmented, and largely uncoordinated global development effort. This essay analyzes an international event that laid the ground for a breakthrough in meeting these goals: the Fourth High-Level Forum on Aid Effectiveness, held in Busan, Korea, in 2011. It analyzes how the process of preparing for Busan was used to overcome political opposition and create trust among diverse actors. The introduction of empirical evidence in a timely manner and the effort to place that evidence in context contributed to the prospects for success. This paper is intended to provide students of international affairs and development a better understanding of how consensus is reached among nations, institutions, and individuals with diverse interests, orientations, and personalities. It is a story of how a unique organizational entity, the DAC and its member states, backed by a highly competent secretariat and strong leadership at many levels, exercised effective leadership at critical moments to achieve a positive outcome.

The Center for Global Development is an independent, nonprofit policy research organization that is dedicated to reducing global poverty and inequality and to making globalization work for the poor. CGD is grateful to its funders and board of directors for support of this work.

Use and dissemination of this essay is encouraged; however, reproduced copies may not be used for commercial purposes. Further usage is permitted under the terms of the Creative Commons License. The views expressed in this paper are those of the author and should not be attributed to the board of directors or funders of the Center for Global Development.

Contents

Foreword	ii
Introduction	1
Lesson One: Ensure adequate preparation to build consensus	3
Shared and solid principles	4
A coalition of the willing	5
Lesson Two: Use development diplomacy to deal with fragmentation	7
Diplomacy by committee	8
Engaging Chinese providers, fragile states, and Arab donors	10
Lesson Three: Build public value on a foundation of evidence	12
Lesson Four: Secure whole-of-government buy-in	13
Lesson Five: Deflect setbacks and generate momentum	15
Negotiating the negotiators	16
Back to substance	18
Lesson Six: Create trust among negotiators	18
Lesson Seven: Don't lose hope in the end game	21
It's not over until it is over	21
Lesson Eight: Maintain the momentum	24
Reflections	28
Endnotes	31

Foreword

From its inception, the Center for Global Development has made its mark on issues of aid and aid effectiveness. Many of our staff and non-resident fellows—Owen Barder, Michael Clemens, William Easterly, Carol Lancaster, Ruth Levine, Todd Moss, Mead Over, David Roodman, Arvind Subramanian, and myself, too—have been key contributors to a lively debate on the question of whether and how aid and the aid system work.*

Though we normally include in our working paper and other series only analyses by CGD staff and non-resident fellows or analyses we commission ourselves for a particular program, in this special series we are pleased to publish from time to time at our discretion papers and essays prepared outside the Center. Our aim is to share more broadly otherwise unpublished work in which authors propose new thinking about aid and the aid system and new approaches to operationalizing aid transfers. The focus will be on innovations—whether in ideas or operations.

Our goal is that the Innovations in Aid series speeds and broadens access to new ideas, and contributes to more effective aid programs—public and private, bilateral and multilateral, traditional and new donors.

In this essay, Brian Atwood gives a first-hand account of the discussions at the Fourth High-Level Forum on Aid Effectiveness in Busan, South Korea. Despite some criticism that the forum did not do enough—including from my colleagues at CGD—Atwood contends that the Busan discussions achieved important breakthroughs, not least by bringing China, Brazil, and several other new donors to agree on common principles. His essay will appeal to anyone concerned with aid effectiveness and anyone interested in the nuts and bolts of reaching high-level consensus on matters of global concern.

Nancy Birdsall
President
Center for Global Development

*http://www.cgdev.org/section/topics/aid_effectiveness

Introduction

On December 1, 2011, the final day of the Fourth High-Level Forum on Aid Effectiveness (HLF4) in Busan, Korea, 160 nations, civil society organizations, and private sector representatives endorsed an 11-page statement calling for the creation of a “global partnership for effective development cooperation.”¹ In addition, a series of “building blocks” related to specific development issues were agreed to by coalitions of governments, civil society, parliamentarians, local officials, and the private sector.² What did it all mean? One pundit wrote: “It will take weeks, months and ultimately years before the impact of ... the Busan Forum on aid effectiveness will be known.”³

It may well take years to determine the full impact of the Busan Forum, but few doubt that it represented an important turning point in the history of development cooperation. While important implementation issues remain, it seems clear now that the relationships among the many stakeholders—donors, developing countries, South-South cooperation providers, civil society, and the private sector—will change dramatically in ways that are not completely predictable. Busan also definitively shifted the discussion from “aid” to “development,” a shift that has the potential to engage policymaking institutions that had previously considered development issues to be on the margin of their interests. Perhaps most important, the Busan forum created a new model for international development summits, informed by evidence, deep engagement of nongovernmental actors, and the participation of some of the world’s leading luminaries.

Three previous forums on aid effectiveness sponsored by the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) had built a strong constituency,⁴ but the global financial crisis of 2008–2012 transformed the debate. In this difficult period characterized by credit freezes, slowdowns in foreign direct investment, and rising food prices, growing concerns over climate change, food shortages, and security charged the atmosphere. At the same time, the development effort was being criticized for being highly fragmented and uncoordinated, and ideological divisions between “traditional donors” and those who practiced “South-South cooperation” ran deep. Yet, 2010 saw the highest level of official development assistance (ODA) ever: nearly US\$130 billion, following 5–7 percent increases over the previous five years—a full 63 percent over the previous decade—much of this to compensate for the effect of the crisis on poor nations.⁵ In this context, it was not at all clear when planning for this forum commenced that it would be possible to address the full scope of the challenges facing the development community.

All those who were to attend the Busan Forum shared a common objective: reinvigorating efforts to achieve the Millennium Development Goals (MDGs). This could be achieved only by broadening the global development partnership to bring all providers and developing country partners into a more coordinated effort. Yet this challenge was complicated by the facts that the sponsoring organization, OECD, was not a United Nations organization and that its membership was limited to the 34 nations

that had achieved a high level of economic progress.⁶ The DAC, the OECD committee responsible for organizing the Busan Forum, was an even more “elite” body, made up of the 24 donor nations.⁷ The three previous aid effectiveness forums—in Rome in 2003, Paris in 2005, and Accra in 2008—had begun to engage the low- and middle-income countries and civil society, but it was still widely recognized that the donors had driven the agenda. The new emerging economies of Brazil, Russia, India, and China (known as BRIC) had kept these meetings at arm’s length. South Africa, which was added to BRIC in 2010, making it BRICS, and Indonesia, were active participants in the effectiveness forums from the beginning, seeing themselves initially as recipients, though later they became “recipient/providers.”

Overcoming these obstacles and achieving a new partnership in the development field would require a different approach. The OECD–DAC was, in a sense, both part of the solution and part of the problem. How could this narrowly defined “donors’ club” overcome the polarized and ideological debates so characteristic of global politics to produce an agreement of any real public value? How could this government-oriented membership body meaningfully involve thousands of civil society organizations and the world’s most important private sector organizations? How could a series of international meetings with a narrowly defined effectiveness agenda produce a much broader agreement to address “the interdependence and coherence of all public policies” that affect development and poverty?⁸ Finally, how would the OECD–DAC and its Working Party on Aid Effectiveness overcome the polarized debates that characterize many international meetings to secure the endorsement by key emerging nations of an agreement to create a new global partnership for development cooperation?⁹

While preparations for the Busan Forum involved a number of technical aspects, the difference between success and failure meant combining evidence of a highly technical nature with political and diplomatic acumen. A body of data related to compliance with commitments made by donors at the previous forums in Paris and Accra was compiled and analyzed, but it wasn’t at all clear that this evidence would serve the purpose of broadening the global partnership.¹⁰ In the absence of the right political context, it could well have contributed to even more polarization.

It is a common misconception that development policy is apolitical, that it is an arcane field occupying the soft side of global relations and international security. Development professionals often contribute to this mistaken view by rejecting the political dimension, preferring to place emphasis on the humanitarian aspects of their work. While there is no denying the humanitarian dimension, development cooperation is fundamentally political. It occurs at the juncture of a government’s relationship with its own people and with its sovereign or civil society partners. The goal of development is to change society for the better—put simply, to increase the value of “land, labor and capital.”¹¹ Addressing the political nature of development was, therefore, key to understanding why the global debate was so polarized along ideological lines. Assessing the global political

scene and the North-South divide became a vital factor in overcoming old prejudices on the road to Busan.

While international conferences on issues as diverse as children, gender equality, climate change, and population are quite commonplace, little has been written about the process by which the outcome is achieved.¹² This paper analyzes how the process of preparing for Busan was used to overcome political opposition and to create trust among diverse actors. The introduction of empirical evidence in a timely manner and the effort to place that evidence in context contributed to the prospects for success. This paper is intended to provide students of international affairs and development a better understanding of how consensus is reached among nations, institutions, and individuals with diverse interests, orientations, and personalities. It is a story of how a unique organizational entity, the DAC and its member states, backed by a highly competent secretariat and strong leadership at many levels, exercised effective leadership at critical moments to achieve a positive outcome.¹³

Lesson One: Ensure adequate preparation to build consensus

The Busan consensus started forming more than 15 years ago. The idea that the transfer of official development assistance could be more efficient in achieving measurable results grew out of an initiative started in the mid-1990s by the development ministers and agency heads of donor nations, the so-called high-level members of the DAC. At that time, I was one of these individuals, serving under President William Clinton as administrator of the U.S. Agency for International Development.¹⁴ I and my colleagues from key DAC member states were frustrated that the debate over the volume of ODA rarely included our common goals. We wanted to define the objectives of the development community in a politically salient way. Thus, a two-year process began that would culminate in the report entitled “Shaping the 21st Century: The Contribution of Development Co-operation.”¹⁵ This publication built on the agreement that had already been reached at various UN conferences on development goals, and it added one on eliminating one-half of extreme poverty (which was later to become controversial because it had not received a UN endorsement). Despite the many UN-endorsed components, it was still not easy to come up with a set of agreed-upon goals. It involved negotiation among nations with differing approaches and interests. When the report was finally agreed on and published, it produced a sea change in how donors and partners saw their responsibilities.

Most important, a goals statement of this type implied the need for accountability. Thus began a long struggle to unlock the insights needed to measure effectiveness. When in 2000, the goals of the “Shaping the 21st Century” report became the basis of the United Nations’ Millennium Declaration and its MDGs, the stakes were raised even higher, and the achievement of tangible results became an international pursuit.¹⁶

Shared and solid principles

In March 2002, a statement issued by heads of state and government at the Monterrey Summit on Financing for Development underscored the need to emphasize the quality of official development assistance as well as commitments to increase its volume.¹⁷ The communiqué coming out of Monterrey cited an accumulating body of evidence demonstrating that increased resources were not necessarily translating into enhanced performance. This led to multiple studies and ongoing consultations with partners in the developing world.

This encouraged the DAC to plan a series of forums on aid effectiveness. At the first High-Level Forum in Rome (2003), less than a year after the Monterrey Summit, the focus was on “harmonization.”¹⁸ This subject grew out of donors’ growing awareness of the major burden they were placing on their developing country partners with their many and varied reporting requirements. The countries were spending their time trying to satisfy these requirements rather than planning and implementing their own development strategies. While the Rome meeting produced little concrete progress, it launched a serious effort to understand what was effective and what was not in terms of development cooperation. In Rome, for the first time, donors formally acknowledged that they were “aware of partner country concerns that donors’ practices do not always fit well with national development priorities...” This acknowledgement was followed by a commitment “to improve our effectiveness on the ground.”¹⁹

The Paris High-Level Forum in 2005 vastly expanded the scope of the aid effectiveness agenda.²⁰ The meeting was heavily influenced by donor studies undertaken by the DAC and various development think tanks. The concepts developed conceded an important criticism: that aid had created dependency issues that inhibited development. The thrust of the outcome document of this forum—the Paris Declaration—was to ensure that the responsibility for development was shared with developing countries and that country ownership was needed to achieve buy-in and mutual accountability.

This concept of “local ownership” meant aligning ODA with homemade strategies. It meant being more predictable so that governments could do forward planning. It meant doing a better job of measuring results against country strategies. And it meant being more transparent in reporting flows of resources. There was consensus among donors that these moves were needed, but little understanding of how very difficult moving in this direction would be, both for the risk-averse donors and their limited-capacity partners.

Though based to a large extent on donor experience, the so-called Paris principles—the aid effectiveness principles the Paris Declaration put forward—over time began to strike a responsive chord with many developing country partners.²¹ In the next forum in Accra, Ghana, an increasing number of these partners insisted on being heard. They wanted an “agenda for action” on unfulfilled Paris Declaration commitments, expressing concern

that donors were not making greater use of developing countries' own systems, for example. They also began to voice concerns that despite promises to “untie aid,” it was still given with conditions specifying where goods and services must be procured, was often nontransparent, and sometimes even led to in-country double counting by donors to please single-interest constituencies. The developing countries wanted more predictability in ODA flows and continued engagement with the monitoring system that gave them the evidence they needed to create peer pressure and ensure compliance. Most donor government development ministries and agencies, under increasing pressure to produce results, wanted much the same thing. These demands were summed up in the Accra Agenda for Action, which helped to keep up the momentum for reform, although it still lacked full buy-in from all stakeholders and, most important, from other parts of donor governments.²² For the first time, however, we saw real negotiations among donors, partners, and civil society. Participants were taking this seriously and also appreciating the need for compromise.

The Accra Forum involved more developing countries than the one in Paris, partly because it had become clear that the effectiveness agenda would serve the mutual interests of donors and recipients. Likewise, Accra began to engage civil society organizations for the first time. These important cooperation partners had real counterpart links to partner-country institutions and, despite their natural inclination to keep governments at arm's length, they began to embrace effectiveness principles and see the benefits of aligning themselves better with country strategies. At the same time, as we shall see, the CSOs wanted the Paris principle of “ownership” defined more broadly to include all of society, not just government.

A coalition of the willing

The Working Party on Aid Effectiveness (the WP-EFF), a unique creation of the DAC, was the body behind the agendas for the HLF series. Over time, the WP-EFF was expanded to include more developing countries and, following Accra, a very active civil society.²³ Accra also acknowledged (albeit with some reluctance on the part of a few traditional donors) the value of South-South cooperation. In the lead-up to Busan, a task team was formed to explore South-South cooperation, while the series of “clusters” set up after Accra to help spearhead the implementation of commitments examined issues as varied as the effectiveness of state institutions, transparency, tied aid, fragmentation, the division of labor among development actors, and results measurement. Operating with a good portion of the DAC budget, the pre-Busan WP-EFF also included the UN, the World Bank, regional banks, and groupings of regional organizations such as the African Union. The UN Development Programme (UNDP) was an important partner, handling many of the arrangements to facilitate the participation of developing countries. It had also been a crucial partner in the roll-out of the Survey on Monitoring the Paris Declaration, giving global reach to a process supported by a relatively small secretariat

based in Paris. The alliance with UNDP was to become increasingly important as the Busan meeting drew near.

The co-chairs of the WP-EFF played a vital role. Talaat Abdel-Malek of Egypt, who had represented developing country partners in Accra, served with distinction and strong credibility throughout. Koos Richelle of the Netherlands, a senior official of the European Commission, was co-chair until the beginning of 2011, when he stepped down to take another position at the Commission. He was replaced by the former Development Minister of the Netherlands, Bert Koenders, who brought his experience at Accra and his considerable political skills to the mix until he also had to step down to become an Under Secretary General of the UN with responsibility for the Côte d'Ivoire crisis.

Abdel-Malek and Koenders complemented one another. The first was an academic and a development professional with strong technical credentials and a developing nation perspective. The other was a politician, a serious one who understood the substance of the development agenda. Koenders also appreciated the pressures that development ministries were facing in the political arena. Both co-chairs were committed to progress and impatient with any sign of foot dragging.

With the resources and strong political backing of the DAC, the OECD's Development Co-operation Directorate (DCD) housed the secretariat to the WP-EFF, which went on to play a lead role in organizing the Busan Forum. The flexibility and adaptability of the OECD as an institution, and the DAC's desire to ensure the participation of developing countries as equals in this body, were important features in the creation of this coalition. In contrast with other international forums the relative informality of WP-EFF, and its focus on ministries of finance and development, rather than foreign affairs, created a unique space for dialogue within the international system.

Developing countries were embracing this forum. The emphasis placed on data and rigorous analysis by OECD and the DAC helped to bring to this coalition the sort of evidence base and "soft law" approaches to working that it might not have found had it been anchored in a different institutional space. The DAC, and the staff working in the WP-EFF secretariat, ably led by Brenda Killen, understood that providing a neutral support facility was important if the WP-EFF was to function as a credible platform for dialogue. While it was a subsidiary body of the DAC, and heavily financed by it, the WP-EFF was highly independent (though that did not prevent governments such as Brazil from keeping it at arm's length because of its OECD-DAC connection). The secretariat went to great lengths to promote inclusiveness and transparency in the working methods of the WP-EFF – features that were central to our achievements in Busan. Developing countries saw the benefits of engaging in an informal setting with donors, other partners, civil society, and the secretariat's team of development professionals. The OECD/DAC was an organization that was not itself directly involved in aid delivery, and so could bring a degree of objectivity to discussions on challenges at the country level.

By the beginning of 2011, a great deal of progress had already been made by the Working Party and its many subgroups.

In the previous year, the DAC itself had recognized that the Busan Forum would take place in a vastly changed global environment. Yet few steps had been taken to act on this knowledge. Some DAC members worried that even recognizing the existence of South-South cooperation would begin to undermine the high standards the DAC had set for itself. It did not help that the economies of the developed world were experiencing the effects of financial crisis and negative demographic growth, and that this was beginning to pressure ODA budgets. Though ODA reached a record level in 2010, almost US\$130 billion, much of the previous five years of increase was attributable to the need to compensate for the humanitarian implications of the financial crisis, including a major commitment to respond to growing world hunger, food price volatility, and the credit crunch, which limited access by the developing world to global markets. ODA projections by the DAC for the coming five years were bleak, suggesting a virtual straight line. Despite the worries, it was clear to me when I assumed my new position as DAC chair in January 2010 that tangible action was required to revive the commitment to the poverty reduction mission.²⁴

Without a doubt, all of the long and consistent preparation undertaken by the DAC and its partners in the lead-up to HLF4 was fundamental in securing the success this forum would prove to have. Yet, good preparation was not in itself enough.

Lesson Two: Use development diplomacy to deal with fragmentation

The bleak outlook created by the financial crisis placed a growing premium on the quality of development cooperation programs and the need to rationalize an international effort that had grown and had become badly factionalized. Meanwhile, new providers of South-South cooperation from the dynamic emerging economies of Brazil, China, India, Indonesia, Mexico, Turkey, Russia, and South Africa were developing a growing appreciation of their responsibility to assist their less successful partners in the South. The fact that they still experienced major poverty within their own borders made them particularly sensitive to these efforts. Many were also part of the G-77, a political grouping of developing nations that rarely missed an opportunity at UN meetings to blame the developed countries for their problems (with some cause!), and to remind those countries of their obligation to provide compensatory assistance.

Special programs, channeled through multilateral agencies and nongovernmental organizations, also proliferated. The result, as former French development chief Jean-Michel Severino and Olivier Rey wrote, was “hypercollective action” that was largely uncoordinated and clearly included unnecessary waste.²⁵ This problem, sometimes called the “aid architecture” challenge, required urgent action involving multiple and diverse

national entities, organizations, and sectors. How could the DAC begin to address this complicated challenge?

The effort had to build on the aid effectiveness initiative. By now a good deal of evidence had been collected, much of it highlighting shortcomings among the traditional donors. This evidence would prove to be very useful in expanding the interest in Busan and further encouraging developing countries to take a lead in advancing their own cause.

In the spring of 2011, the Working Party began to consider the products of its various clusters with a view to summarizing their conclusions and recommendations in an outcome document for Busan. They wanted to reflect consensus on the need for major change and create a political statement that would capture the world's attention. The co-chairs took responsibility for the drafts, which were then circulated to the entire group for comment. This meant that literally thousands of interested parties had access to the various iterations, perhaps more than ever before in an international negotiation, and it most certainly was a complicating factor. Not everyone was happy—in particular governments accustomed to negotiating with a degree of privacy. Yet over time, the process inspired confidence. Much credit for this goes to the co-chairs—whose attempts to be open and fair were obvious to all—and to the secretariat of the Working Party—which both distributed information and responded to literally hundreds of inquiries and suggestions.

DAC members were represented on the Working Party, but made a conscious effort to honor the inclusive nature of the body and to exercise only discreet influence. Clusters were sometimes co-chaired by DAC delegates, and I attended the Working Party meetings but only rarely intervened. I encouraged DAC colleagues to “try to drive the car from the back seat!” And indeed the developing country partners began to drive the car, armed with the evidence that they had produced in close collaboration with the Working Party secretariat. They used this evidence to push everyone in the right direction, even the more reluctant of the so-called emerging economies.

Diplomacy by committee

The DAC had conducted a “reflection” exercise the previous year to re-examine how it should operate in the changing world. By 2011, it was clear that it was time to reach out more formally to the “new providers.” The question was how to engage in a constructive dialogue, given the ideological gap that existed between them and the DAC. In addition, these countries had legitimate political concerns about domestic reactions to the fact that they were helping other poor nations. They also feared that they might lose their eligibility to receive ODA if they became donors. And they were suspicious that donors were more interested in burden sharing than improved coordination. If a comfort zone for dialogue was to be created, the DAC needed to address these issues head on. I proposed issuing a

unilateral statement that welcomed a new dialogue and clarified some common misunderstandings. It was an offer to talk without preconditions.

Even though DAC members had already agreed in principle on the need to engage, drafting a statement was no easy proposition. Some members saw the draft as opening a negotiation rather than tendering an olive branch. Others were reluctant to recognize South-South cooperation as legitimate and to see it mentioned alongside the more established North-South tradition characterized by strict rules, peer reviews, and shared statistical information. This had been a big issue in Accra, and those who originally opposed the reference to South-South cooperation in the Accra agreement initially tried to retreat a bit from the message of welcome as well.

Conducting diplomacy by committee is no easy task. The emerging economies were invited to two DAC meetings. At the first, with their representatives sitting in the room, a delegate addressed me privately just before the opening gavel, wanting to object under OECD rules to conducting a formal meeting in the presence of these nonmembers.²⁶ I tried to finesse this by uttering a somewhat muffled statement to the effect that we were holding an informal meeting and were welcoming partners with whom we wished to consult on important matters of mutual interest. Few seemed to notice. At a subsequent meeting, a delegate objected to discussing the draft of the welcoming statement, by now in near final form. I tried to respect this concern, but other delegates raised the issue and a brief discussion ensued. I was finding the role of DAC chair somewhat incompatible with diplomacy!

Our Mexican delegate, Gerardo Bracho, was able to provide insight on the debate over the welcoming statement and to help reconcile views. Gerardo had represented his country as an observer to the DAC for four years. And while he was a trusted and well-liked colleague, he must often have wondered whether the views of an observer from a nation that did not have a development agency were taken seriously. In 2011, however, Mexico was considering legislation to create a new development cooperation agency, and his government took an intense interest in the subject, as it was about to host the global climate change negotiations and, in 2012, the G-20. Like other emerging economies, Mexico was beginning to see that it had an important role to play on the world stage.

Gerardo helped the committee's effort to reach out by explaining the sensitivities, even the prejudices, of countries that still had to wrestle with poverty and that did not want to see the more established economies try to rationalize away their obligations. He explained that ODA was often seen as a means of transferring Northern values, whether or not this was fair. This led to an important clarification in the draft statement, that "...ODA is not defined as a North-South transfer, but rather its criteria relate to the development purpose..."²⁷

After several formal and informal meetings and many exchanges with capitals, the DAC statement "Welcoming New Partnerships in International Development Co-Operation"

was approved in a form that could truly be characterized as an olive branch. I read it aloud at the annual senior-level meeting on April 6, 2011. Present at that meeting were representatives of China, Brazil, South Africa, Russia, and Indonesia. It took two DAC meetings and many behind-the-scenes negotiations to produce consensus, but it was all the more meaningful because of the process that had engaged ministers and agency heads directly. As they negotiated, they came to embrace its meaning and the spirit behind the words. It contained enthusiastic references to South-South cooperation, recognizing that nations so engaged “have a dual status as both recipients and providers... [and that] such duality can enrich the international dialogue and enhance the effort to promote inclusive and sustainable economic growth.” The statement expressed the “hope to forge new relationships... through open dialogue without preconditions.”²⁸

At the senior-level meeting, the Chinese representative read a statement warmly welcoming the DAC initiative and declaring that China was prepared to participate in Busan. Brazil and others joined in. There would be other curves in the road, but there is no doubt that this statement represented an important contribution to the creation of a positive environment leading up to Busan. That became palpably obvious in June 2011, when I visited Beijing and handed government and Communist Party officials a Chinese translation of the document. This was a new day for the DAC, and it made the effort to “drive from the back seat” a bit easier.

Engaging Chinese providers, fragile states, and Arab donors

China’s reaction at the DAC senior-level meeting was not by any means spur of the moment. For more than two years we had been building a relationship through a China-DAC Study Group. This initiative, promoted by the former Director of DCD, Richard Carey (and carried on by his successor, Jon Lomøy and ably assisted by the USAID representative in Beijing, Jennifer Adams), involved a series of studies and meetings with the International Poverty Reduction Centre, a quasi-governmental organization that had strong ties with the Foreign Ministry and the Ministry of Commerce, the principal aid delivery agency of China.²⁹ It was a highly respectful forum that paid a great deal of interest to the approaches China had taken to reduce poverty within its own borders, as well as to the methods applied in African states with partners there.

On 21 April 2011, the Chinese government released its white paper on foreign aid,³⁰ informing the Chinese people for the first time that China had been helping its allies in poorer nations for 60 years. It described South-South cooperation as an important “complement” to North-South cooperation. When I visited Beijing in June for the meeting completing the first phase of the China-DAC Study Group, I met with the Vice Minister, Fu Ziyang, who had gone on Chinese television with Premier Wen Jiabo to describe the program. The Chinese seemed genuinely eager to learn more about the effectiveness agenda, both because their program was under increasing criticism internationally (it was often characterized as a tool for promoting Chinese commercial

and security interests) and because the public release of information was creating a minor public backlash. If they were going to spend billions of taxpayers' money on an aid program, they wanted it to be more effective and to produce more goodwill, both at home and abroad. In meetings that week and two weeks later with the Working Party co-chairs, the Chinese made clear their intention to learn more about Western development programs and to come to Busan to contribute positively to the discussion there. That proposition would be seriously challenged in the weeks to come.

Throughout the year, the "International Dialogue" was meeting in places like Dili, Timor-Leste, and Bogota, Colombia. The "Dialogue" was created by a DAC subsidiary body called the International Network for Conflict and Fragility. It brought some 40 nations together with international organizations to discuss how to manage postconflict and fragile-state situations better. Some 17 nations declared themselves "fragile" and formed what they called the g-7+. They wanted more control over their transitions and a "new deal" from the international community—more local ownership, security, justice, and longer-term commitment. This would all come to fruition in a Busan Building Block when a coalition of the 40 countries and organizations would sign a pact called the "New Deal." The world's poorest and most fragile countries would thus become an integral part of the Busan Forum.

On July 4 and 5, 2011, the DAC tested its diplomacy once more in London, where it joined the UK Department for International Development and Secretary of State Andrew Mitchell in co-hosting the Arab Coordinating Group (the group of donors from Arab nations).³¹ This was the recommencement of a series of high-level meetings that had been held back in the 1990s and then suspended. The chair of the Arab donors group, Abdulateif Al Hamad, used his considerable influence to bring a very high-level delegation to the table at the historic Lancaster House. He and I joined Andrew Mitchell and UK parliamentary minister Alan Duncan in chairing the meeting.

Clearly stimulated by the Arab Spring events, where three governments had been toppled by disgruntled citizens, there was a lively discussion around such topics as democratic transitions and anticorruption efforts. Working Party co-chair Talaat Abdel-Malek explained the purpose of the Busan Forum, which led to his being invited to Kuwait to discuss the possibility of a broad Arab statement endorsing the forum. A separate meeting was scheduled to discuss how the Arab donors could share with the DAC more detailed financial information on their assistance flows in relation to DAC standards. Development diplomacy was in full bloom, in this case aided by the Arab Spring and our prescience in having an Egyptian chair of the Working Party!

Lesson Three: Build public value on a foundation of evidence

As we moved into the summer of 2011, the year of the Busan Forum, considerable anticipation had been built around the imminent release of the “evidence” the DAC-DCD and others were compiling on the implementation of the commitments made in the Paris Declaration and reaffirmed in Accra. In early July, an independent evaluation study on the implementation of the Paris principles was released.³² It was appropriately presented to acknowledge the complexities, but its conclusions were clear. When applied, the Paris principles produced tangible results. What had been felt intuitively now was backed by strong evidence. This raised expectations about what the monitoring survey – based on the Paris Declaration’s 13 target areas – would reveal. Over the previous year, some 80 countries had participated in gathering information for the monitoring survey, giving a clear signal that the developing world was fully engaged in the process and that the Paris principles were important to them.³³

In July 2011, the survey results were released.³⁴ The analysis was difficult (and this delayed the release, as the OECD prides itself on objectivity) and showed that only one of the 13 targets had been met by DAC members. The donors, granted, had made some progress on seven of the targets. But they were outshone by the clear progress developing countries had made in building the capacity to plan and manage their own development strategies and resources: more than one-third of participating developing countries had improved the quality of their own systems since 2005. Despite these improvements, only 8 percent more ODA had been redirected through these systems. Even worse, some ODA was being redirected into inadequate systems while more efficient systems were being ignored.

I was concerned that these results would turn the Busan Forum into a G-77 political bashing of the “donors.” It was important to place this information in context, both because of the risk of creating a polarized debate in Busan, but also because the willingness to be self-critical was a strength of the DAC that needed to be underscored. In September 2011, the Korean government decided to host a workshop during the meeting of the G-20 Working Group on Development in Paris. This presented an opportunity to get to the heart of the matter and address the potential political fallout by attempting to place the survey report in context, and so I asked to address the group.³⁵ The following is an excerpt from that statement:

It is tempting for some to characterize the DAC as a “donors’ club,” bound to the narrow interests of its member states. Some may adopt this line believing that this will pressure DAC members to fulfill agreements they have made. Others may even wish to see the DAC disappear as an institution. Of course, that must be our ultimate goal. But the poverty reduction mission is far from over and until it is, the DAC’s role is to fulfill our members’ commitment... Our member states have agreed to subject themselves to intense scrutiny on how well they do at accomplishing this. As DAC Chair, I intend to do my part to hold feet to the fire.”

I acknowledged the poor performance on the Paris principles and the increasing desire by our developing country partners to own their programs and achieve results. *“More and more, we are hearing directly from our development partners, who point to evidence the DAC itself has produced... This has transformed the dynamic as we look toward Busan.”* I emphasized that progress toward compliance with the Paris principles was not just a matter for development ministries – whose success, in fact, depended on the success of their partners. *“It involves the many branches of our governments—other ministries, parliaments, executives, inspectors general and taxpayers—that make up the political and economic culture within which we operate.”*

This was not just an effort to absolve development ministries from carrying all the blame; it was also part of an ongoing effort to raise the stakes for Busan by involving political leaders at the higher level to ensure a whole-of-government commitment.

I also wanted to send a clear message to the G-77 nations that were also members of the G-20 Working Group on Development, and those who were not. I asked *“that all parties to the Busan Forum leave their prejudices at the door.”* We had all agreed to pursue the Millennium Development Goals, and this was our moment *“to create a broad and effective partnership”* to that end. Aware of concerns that nations such as Brazil expressed about a forum sponsored by an organization of which they were not a member – the OECD – we emphasized *“the need to engage the United Nations even more fully,”* and pointed out that the UN development system was – through UNDP – a full partner in our Working Party. Agreements reached in Busan would be voluntary, *“just as was true in Paris and Accra.”* (This issue became important to the Chinese and Indians in Busan, and it had been flagged earlier by the Brazilians.) The focus should be less on modalities such as South-South or North-South, and more at the country level. I ended with an appeal to leave the old politics of division behind, saying that *“there should be no political obstacles to a meaningful agreement in Busan.”* This statement was widely distributed, one hoped with some effect.

Lesson Four: Secure whole-of-government buy-in

Within donor governments, agreements on goals and effectiveness principles had remained the almost exclusive preserve of the development ministries and agencies. An interesting example emerged when then United Kingdom Secretary of State for Development, Clare Short, expressed her wish to include the goals of the DAC’s “Shaping” report in the Birmingham G-8 communiqué in 1998 (Birmingham was her home constituency and the meeting was to be hosted by Prime Minister, Tony Blair).³⁶ I had to inform her that the U.S. sherpas from the State and Treasury Departments were balking because those departments of the U.S. government had not been involved in the negotiation of the earlier report. As Administrator of USAID, I had agreed to this text on behalf of the U.S. government, as the other two departments were not participants in the DAC. Short was later invited to visit Washington, and in her inimitable, tough-minded style, she informed the State and Treasury G-8 sherpas that she would publicly criticize the United States for backing away from its pledge if it failed to support

inclusion of the language of the DAC report. The U.S. sherpas backed off, and the goals in the “Shaping” report found their way into the Summit communiqué. In 2000, with G-8 backing, they were inserted in the UN Millennium Declaration and became the Millennium Development Goals.³⁷

The lesson I drew from this experience was that in the absence of a whole-of-government commitment, agreements made at global conferences on development can end up having little meaning. This lesson had significant influence as we prepared for the Busan Forum.

From the beginning, the government of Korea placed a high priority on the forum. It was an important opportunity to follow up on the 2010 Seoul G-20 meeting, where the Seoul Consensus on Development was adopted.³⁸ It was also a chance to showcase the city of Busan, the world’s fifth largest port and a symbol of the huge humanitarian relief effort of the war-torn 1950s. This had been the beginning of the reconstruction and development that transformed one of the world’s poorest countries into a successful democracy and a new member of the DAC.

Foreign Minister Kim Sung-Hwan assembled a first-rate team to plan the conference. Enna Park, Director General for Development in the Foreign Ministry and a Vice Chair of the Working Party, would play a key role, making her diplomatic skills evident throughout. The Koreans wanted high-level participation and were confident they could convince the UN Secretary General, Ban Ki Moon – their former Foreign Minister – to attend. They did not initially bargain on the U.S. Secretary of State attending; this eventually changed the game considerably, both within the U.S. government and around the world.

Secretary of State Hillary Clinton, a strong proponent of development cooperation, had been an important ally during my service as USAID Administrator during the Clinton Administration, when she was First Lady of the United States. She also had promoted my candidacy for the DAC position. Now there was an opportunity to take advantage of that relationship. Hillary Clinton’s Chief of Staff and Counselor, Cheryl Mills, had been in constant contact, and on July 28, during a visit to Washington, I met with Secretary Clinton and asked her to consider going to Busan. It was a lot to expect, as she would be in Asia just a few weeks before with President Obama. I suggested that nothing would better underscore her effort to align diplomacy and development – and to elevate the development mission – than her active participation. Soon thereafter, Cheryl Mills sent a message to Paris with the good news. Hillary Clinton announced her participation alongside UN Secretary General Ban Ki Moon at the outset of the UN General Assembly’s annual meeting in September 2011.

The participation of these two global leaders raised the stakes immensely. Soon thereafter, the U.S. government began actively to encourage engagement at a high level in the Busan Forum, while working to convince the new providers of assistance to join

in a broader partnership. Counselor Mills personally visited Brazil to carry the message directly from her boss.

Hearing of the Secretary's participation helped encourage other DAC members to use diplomacy to enhance awareness and urge full participation. Busan was no longer just another aid effectiveness meeting. No longer was its agenda seen as the sole responsibility of development ministries. Busan had become a global forum, following up on G-20 leaders' commitments, and an opportunity to address development issues holistically and create whole-of-government commitments. The stage was set; a new Global Partnership for Effective Development Cooperation was now possible.

Lesson Five: Deflect setbacks and generate momentum

The regular World Bank/IMF meetings in the spring and fall 2011 brought together ministers of finance, planning, and development. In the fall meeting, in late September (after the Ban Ki Moon-Clinton announcement), a number of initiatives were planned to spread the word on Busan and to consult widely on the issues to be discussed there. Co-chair Talaat Abdel-Malek met with the nonaligned group of nations and with various groupings of partner nations. I co-hosted a lunch for ministers with the Managing Director of the Bank, Sri Mulyani Indrawati. By now, the survey results were being widely discussed and developing nation representatives seemed more energized. In a brief intervention at the Development Committee, I underscored the participation of Secretary Clinton and the UN Secretary General and described Busan as an opportunity to broaden the global partnership for development. Familiar themes for many of us, but now governments and international organizations were paying attention. Busan was beginning to gain meaningful momentum.

Working Party co-chair Bert Koenders had been scheduled to join us in Washington. But during the Bank meetings, we had to face the prospect of moving forward without him. Days before he had been informed by UN lawyers that his new position as Under Secretary General and the Secretary General's envoy to Côte d'Ivoire would prevent him from continuing as co-chair. Despite active UN involvement in the HLF4, the forum was being prepared by another international organization (OECD), and the UN lawyers thought that this could present a conflict of interest. His absence in Washington became an issue among development ministers, and questions were being raised about how this would impact on the all-important Busan exercise. I informed key ministers and asked their advice on how to proceed. A few of the ministers wanted to move quickly to find a replacement. I felt that it was too late in the game for that.

I engaged former New Zealand Prime Minister and Administrator of the UN Development Programme, Helen Clark, in helping find a solution within the United Nations. The all-important final plenary of the Working Party was scheduled for October, and we needed both co-chairs there. She helped find a solution: Koenders would not take up his new position until after the plenary meeting. In the course of

events leading to Busan, this would become meaningful. The character of the plenary meeting would have been very different had Bert Koenders not been able to participate.

Negotiating the negotiators

The two-day plenary started on October 6, 2011, at the OECD Conference Center. It was the culmination of two years' work by clusters, task teams, the OECD Development Cooperation Directorate, independent committees, regional organizations, consultants, and many other interested parties. With the 80 members of the Working Party seated at the huge conference table poised to gain recognition from the chair, the surrounding gallery was four people deep and a nearby listening room was full. Shortly after Talaat Abdel-Malek opened the meeting, he was passed a slip of paper and announced that Bert Koenders had been sideswiped by a motor scooter on his way to the hall. Thankfully, it was a slight accident and he arrived a bit later with no visible damage. One could sense the feeling of relief, after a build-up of expectation he could not have planned better himself!

The plenary proceeded to work its way through a draft of the Busan outcome document tabled by the co-chairs, section by section, line by line. Amendments were offered, some benign, some that inevitably invoked opposition, but it was by now obvious that developing country partners were intent on pushing donors to keep their earlier promises. Developing countries had agreed to a common position coming into the plenary, and they pursued these ideas persistently. Civil society, which had managed to find common ground on the effectiveness issues at the UN meeting on least developed countries (LDCs) in Istanbul earlier in the year, also pushed the donors on what they wanted: to make it clear that "ownership" in developing countries did not just mean government ownership. The BetterAid (civil society) representatives were concerned that some developing partners had made moves to limit civil society's space and were strongly promoting the democracy/human rights agenda. Having heard that some might seek to avoid explicit human rights language to appease China, Vietnam, and other countries, the democracy/human rights advocates were mobilized. There would be no backing off previous international commitments in this area.

In this context, it was time to decide how to negotiate the final agreement to be presented to the Busan Forum. The co-chairs met over lunch with the members of the Working Party Bureau (including vice-chairs from the Korean hosts, the World Bank, the UNDP, and the secretariat). The topic was the sherpa group that would take responsibility for negotiating the final outcome document.

When the plenary opened later, the co-chairs proposed that the sherpa group leading the negotiations include three members of the DAC, three representatives of low-income countries, one fragile state, three middle-income countries, and one representative of civil society. Regional entities, the g-7+ (the fragile states group), and civil society were

already well organized to select their representatives. Korea would be responsible for coordinating the selection of the middle-income countries. The DAC chair was to name the DAC members, something I learned about just before this formula was announced.

The European Union representative objected to this procedure and expressed concern that donors were not adequately represented. He asked for a recess to discuss the matter with his members. Meanwhile, during a short break the co-chairs decided to increase the DAC representatives to five. When the plenary reconvened, this seemed to mollify the dissenters, and soon thereafter the meeting adjourned, having authorized a group of 18 to carry out its wishes.³⁹

While both co-chairs deserve great credit for getting beyond this crucial final plenary meeting – and while Abdel-Malek would soon demonstrate his leadership skills among all participants in the sherpa negotiations – on this final plenary day, Koenders' influence among the Europeans and his powers of persuasion would be critical. He had been a European Development Minister and was widely known not only in Europe, but in the developing world as well. It had been the right move to keep him engaged by asking Helen Clark to intervene at the UN. Had he not been present at that important final meeting of the Working Party, it might not have been possible to designate a manageable sherpa group to negotiate the final outcome document.

Selecting five members of the DAC from the 24 member states was a difficult task, and one likely to create tensions. Because of the character of the Working Party, certain groupings such as the “Nordic-plus” already existed; in this group, the Scandinavian countries, Ireland, and the Netherlands were pleased with the job the UK had done in representing them. At the same time, many of the smaller European donors insisted that the European Commission represent their interests. The United States and Japan also wanted to participate, as did the Canada, Australia, and New Zealand (the CANZ countries). A growing consensus was emerging that the host of the G-20 Summit, France, should be on the team. Yet another very large European donor, Germany, also wanted in. How could we reconcile these tensions and get on with the negotiation?

It was difficult to decide which governments would represent the broadest interests, but in the end decisions had to be made. The sherpa group would meet soon. I spoke with most of the DAC ministers. In the midst of these delicate consultations, an unfortunately timed e-mail message was distributed from the representative of an EU-member country that contained an assumption that the EU should have three of the five positions. This had the effect of reinforcing the CANZ desire to be represented and further complicated the task.

In the end, the five DAC representatives were the European Commission, the United Kingdom (representing the “Nordic-plus” and, it was hoped, the positions of the CANZ group), France (whose sherpa had represented his government in the G-20 Development Committee negotiations), the United States, and Japan. Along with

Working Party Bureau member Korea, this meant that the DAC donors would be strongly represented – some argued over- represented. The willingness of some members to allow others to represent their interests was appreciated, but there were no illusions about how unhappy many were. It was clear that a successful outcome would be the ultimate saving grace.

Back to substance

It was now important to put the selection process behind and focus on substance. One way of doing this was to get the DAC to take up the issues to be negotiated in the committee before the sherpa group met. If we could reach agreement on issues like tied aid, predictability, and transparency, this would provide guidance to the DAC sherpas. A meeting was scheduled for November 3, 2011, a day before the sherpa group meeting. We had notified governments in advance of the issues to be considered there and pressed them to come up with their most forthcoming positions. While in the end, we were unable to reach full consensus on any of the effectiveness issues, some creative ideas were advanced and the negotiators learned important details about the obstacles ahead. The tied aid discussion was particularly revealing.

Since agreeing to untie assistance to low-income countries in 2001, the donors had made major progress. Now, under the 2001 rules (which, significantly, excluded such items as technical assistance, food aid, and scholarships), the DAC was able to claim that some 79 percent of ODA was untied – in other words, these procurement tenders were subject to open market bidding. The remaining tied aid was more politically sensitive. This final 21 percent would be difficult: Could it be untied by a certain date? If not, was it possible to be more transparent about it, thus at least encouraging an open debate, explaining the costs of tying aid and making more progress?

There was no question that Busan would be an action-producing event and that the DAC and its partners in the developing world would be pushing its members to debate these issues, rather than burying them behind obscure technical caveats. The final DAC meeting before the sherpa negotiations – which was a public session that many of the sherpas attended – was a good preview of what was to come.

Lesson Six: Create trust among negotiators

I was given an opportunity to address the sherpa group at a lunch before the opening session on November 4. It was important to convey the solidarity the DAC felt with all parties to the negotiation and to encourage the negotiators to think of themselves as partners. The common purpose was global poverty reduction and the MDGs in general. I observed that those in the room had been selected to represent certain categories of nations, organizations, and individual interests, but they also represented the aspirations

of the world's less fortunate. The objective was an outcome that created a new, meaningful global partnership.

I wanted the DAC to be seen by developing countries as an instrument of positive change and not an obstacle to their aspirations. Yet at the same time, partners needed to know that the development ministries of the donor countries were facing challenges within their own governments. They were fielding new challenges to development cooperation and increasing demands to show results. It would not be easy to overcome the resistance to some of the needed changes, and negotiators had an obligation to push as hard as possible while recognizing the limits of their negotiating partners.

Talaat Abdel-Malek, now the sole Working Party chair, opened the first session a few hours later in a small conference room in the Château de la Muette, the OECD headquarters building. By this time, detailed positions had been tabled by nations and groups not represented around the table; these would be taken up by their designated representatives. The chair described the groupings represented—low-income, middle-income, and fragile states; DAC members; and civil society. Only the Chinese government objected, politely asking that they be identified as a developing country, not a middle-income country. Many negotiators were armed with thick binders containing position papers and, more important, backup positions. The process started slowly, with sherpas getting to know one another. An occasional spark of humor provided relief from the tedium. Gradually, a rhythm was established, and the expectation that negotiators would listen to one another and attempt to bridge differences was clear. It was a positive sign.

The initial focus was on the common principles that would serve as the foundation for the new partnership. There was an assumption that “differentiated responsibilities” would later be defined (this phrase, because it had been used in climate change negotiations, would be changed to “differential commitments”), but a new global partnership needed a common premise. What could bring this diverse set of actors together? The Paris principles had great currency, and there was little dispute over issues like ownership, results, inclusive development, and transparency. Yet arriving at a statement of “shared principles” would require accommodation. Once again, recommendations were made, discussed, committed to language by the secretariat, then approved by the chair and reintroduced to the group for final agreement. This was a laborious process (much of the burden of translating positions to language fell to Robin Ogilvy of the secretariat, who did a superb job under severe pressure), but progress was being made. (Later, when the negotiation moved to Busan, the text was projected onto a screen in the room and this made the amendment process more efficient.)

Summaries of the two long sessions held in Paris and the late-night sessions in Busan were produced. Scholars may have an interest in individual positions taken and compromises reached, but that is not the purpose here. It is the process that is revealing. The sherpas represented more than one organization in most cases, and while the

sessions were closed, their interventions in Paris were being listened to in another room. After the first two sessions, outside lobbying became intense and it was soon obvious that the negotiations were taking place in a fish bowl. Within hours, literally thousands of people around the globe knew the position of a particular sherpa on a given issue, with whatever slant the advocacy group wanted to give it. This was the age of social media. There was great frustration with this, but in the end transparency produced a better outcome. The post-Busan negotiations discussed later also built on the transparent, representative model described here – the webcasting of later negotiations supported stronger civil society engagement with the process, with some viewers offering real-time updates on Twitter throughout the discussions. There were certainly few surprises.

The Busan negotiations saw developing countries negotiating with a degree of conviction and organization that had not been observed in previous high-level forums. While the DAC offers a clearly bounded “space” for collaboration among donor countries, this did not always lead to clear, shared positions for the range of reasons that I have described. One would have expected that the challenge of coordinating positions among developing countries would be even more difficult, given the size of this group and its regional diversity. There is no formal space within which ministers of finance and planning from across the developing world prepare for this sort of international process, yet the Partner Country Caucus – a relatively informal grouping of the developing country representatives from within the Working Party – provided an invaluable platform from which the developing country sherpas would draw legitimacy.

Few of us had imagined that – in the seven years since the Paris High-Level Forum – developing countries would come together as such a powerful force within international negotiations of this scale. Representatives of Bangladesh, Honduras, Mali, Rwanda, and Timor-Leste would meet in advance of each round of negotiations, and the degree of outreach and coordination behind their positions became apparent quite quickly. The draft of the outcome document released a week before the forum contained footnotes, inserted at Rwanda’s request, expressing the reservation of developing countries on parts of the text that they felt lacked ambition. Although largely symbolic, the end agreement to use developing countries’ systems as the “default” option for aid delivery signaled a step forward for developing countries on some of the unfinished business from Paris and Accra, and went further in calling on donors to justify their decisions and practices in the spirit of openness and transparency.

The Chinese government participated in the sherpa negotiation. Their representative had clear instructions to introduce language that distinguished between South-South and North-South cooperation. This engagement with the process was seen as a positive sign, and it was not inconsistent with the idea of outlining “common principles and differentiated responsibilities.” However, efforts were made to place aspects of the Chinese language in different parts of the introduction. While no objections to this were heard immediately, at the end of the first day the Chinese representative said that she had spoken to Beijing and that the dissembling of their proposed language was

unacceptable. The chair asked her to propose that Beijing reconsider, as the text had already been otherwise agreed. This clearly led to a misunderstanding; soon thereafter China informed the chair that it would withdraw from the process as it felt that its suggestions were being ignored. When the sherpa group reconvened in Busan on November 28, the Chinese government was not at the table. Matters would get worse before they got better.

Lesson Seven: Don't lose hope in the end game

As delegates and participants began to pour into the modern city of Busan, Korea, the sherpa group was convening in a side room of the huge Bexco conference facility for what was hoped would be a final all-day session. The Chinese sherpa had been seen at a local hotel, but would not be attending the session. It was known that the delegation that had been sent to Busan had limited authority and depended on word from Beijing. And now it seemed that the Chinese Vice Minister of Commerce, who had played an important role in the televised presentation of the Chinese “White Paper on Foreign Aid” and had followed the negotiations closely, had been promoted to a Vice Governor position and transferred to an important province. When chair Abdel-Malek, Enna Park of Korea, and Jon Lomoy of the secretariat met later that day with the Chinese delegation, they were told that China would not be able to endorse the outcome document. It seemed clear that they had no authority to negotiate.

The sherpas continued their work, but it looked as though the chance to engage the Chinese government had been lost. As if this was not obvious enough, the next day the prestigious *Guardian* newspaper of the UK led with a story that China would refuse to endorse the Busan outcome document.⁴⁰ The source was the Chinese delegation itself. This would make it even more difficult to convince the Brazilian and Indian governments. The South Africans, Russians, and Indonesians had remained positive, but were probably feeling a bit isolated. Expectations for an inclusive Busan outcome were now at a low ebb. All the sherpa group could do was to continue on—and they did, into the night.

I rode over to the conference facility the next morning with Enna Park. Despite the bad news of the day before, she and her government had not yet given up on China. Those who do not understand diplomacy, Park said, are too quick to accept what they hear. Enna Park was later to perform a key role in clarifying the Chinese position, but her optimism at this moment of lowest ebb led us to search for one more opportunity.

It's not over until it is over

The opening of HLF4 proceeded as planned. Administrator Helen Clark of UNDP and I welcomed the 3,500 delegates and tried to set a serious yet upbeat tone. (A ceremonial opening would be held the next day at which the President of Korea, the UN Secretary

General, the U.S. Secretary of State, OECD Secretary General Angel Gurría, President Kagame of Rwanda, the Queen of Jordan, and others would speak.) It fell to me as DAC chair to present the rather sobering data on where the DAC member states stood in implementing the Paris principles. The Busan Forum's most important function, I said, was to generate the political will to overcome these sad realities. This, combined with the news about the Chinese intentions, lowered expectations considerably. Few of the otherwise enthusiastic delegates could have expected what would follow.

Later on the first day, as the sherpas continued to meet on the final details of the text, I met with senior advisor Jens Sedemund and UK sherpa Richard Calvert to discuss a last-ditch effort to re-engage the Chinese. We focused on the fact that UK Secretary of State Andrew Mitchell was in Beijing that day and had a 5 pm meeting with the Minister of Commerce. We agreed that it would be good to ask him to resurrect language the Chinese had offered earlier. It would acknowledge the differences between the obligations and the methods of South-South providers, but also refer to the common goals and shared principles to be enumerated in the outcome document.

That afternoon, a Brazilian delegate asked to enter the sherpa negotiation room to make a statement. He announced that the Brazilian government would endorse the outcome document as it was. Brazil had earlier presented a very comprehensive position paper, but it was sprinkled with phrases like "if we were to decide to attend the Busan Forum." Now they were saying that they would accept the "common principles and differential commitments" outlined in the draft. The sherpa group needed a breakthrough after a day of bad news and this was very well received.

More good news was on its way after the Mitchell visit in Beijing. The Chinese and Indian governments that evening proposed the following language:

The nature, modalities and responsibilities that apply to South-South co-operation differ from those that apply to North-South co-operation. At the same time, we recognize that we are all part of a development agenda in which we participate on the basis of common goals and shared principles. In this context, we encourage increased efforts to support effective co-operation based on our specific country situations. The principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South co-operation on a voluntary basis.⁴¹

The next morning I hosted a long-scheduled breakfast for DAC ministers and agency heads. I introduced the China-India language and described the role played by UK Secretary of State Andrew Mitchell, present at the table. I suggested that we had achieved a breakthrough. Swedish Minister Gunilla Carlsson spoke first, as the longest-serving minister, and then Talaat Abdel-Malek provided an update on the sherpa

negotiations. Others joined in to welcome the breakthrough. We left this breakfast convinced we had an agreement, but that was not the end of the story.

Later in the day, after an uplifting opening ceremony and many successful events in the program – which was now in full swing – word was received that the Australian, Canadian, and U.S. delegations had problems with the language offered by China and India. What did they mean by “voluntary?” Were North-South “responsibilities” so different, and, if so, why? Most important, would the Chinese and Indians help design a new Global Partnership, and would they participate in it? Could we negotiate some of these words out of the text and gain some clarification?

It was late in the day and it was clear that the Chinese and Indian delegations were unlikely to have the authority to change a word. In the sherpa meeting, Enna Park said emphatically that she had gone to the Chinese too many times already and would not do so again. She was putting the issue back to the three dissenting countries. In the end, the three countries accepted a clarification that Enna Park herself received from the Chinese delegation. One, they had always taken the position that North-South cooperation was an obligation the richer countries of the North had to the South; thus the word “responsibilities.” Two, while they accepted shared principles, they had no intention of abiding by DAC rules and its monitoring systems; thus the reference to “voluntary.” Finally, and most important, yes, they would participate in the creation of the new Global Partnership.

The three countries very quickly accepted these reassurances, and we had an agreement. While it didn't seem so under the pressure of the moment, Australia, Canada, and the United States had extracted important clarifications from China and India, and this would serve the new Global Partnership well. The direct involvement of two experienced foreign ministers, Kevin Rudd and Hillary Clinton, had firmed up what might otherwise have been a more ambiguous part of the agreement. In this, Enna Park and the Korean government played a key role.

The final day of HLF4 became a celebration. Those who read the outcome document, now called the Busan Partnership for Effective Development Co-operation, were impressed by its scope and the commitments it contained. There were a few criticisms that DAC donors had not reached agreement to set dates and deadlines for fulfilling their commitments, but overall the reaction was positive. Most of the 3,500 participants at Busan had no idea how difficult the process of reaching agreement had been. A negotiated document had been produced that, for the most part, did not appear to have been written by committee. It would stand, at least until 2015, as the most significant statement made by the international community on development cooperation since the Millennium Development Goals.

Lesson Eight: Maintain the momentum

The DAC Working Party on Aid Effectiveness was assigned the task of creating the structure of the Global Partnership and giving its Steering Committee a mandate and a monitoring role. While this seemed a rather straightforward task, it required involving a representative negotiating team and achieving the results in only six months. The chair, Talaat Abdel-Malek, wanted to keep the previous sherpa group together, but this was rejected by many who had felt left out the first time around. I recommended changing the name and the composition of the sherpa group while retaining some of the strongest links to the previous team. Thus, the group became known as the Post-Busan Interim Group, with the unfortunate acronym, PBIG. This time a representative of the Indian government joined the Brazilians, Chinese, South Africans, and Mexicans in the providers/recipients category, while Germany replaced France, Sweden joined as the representative of the Nordic-plus grouping, and the CANZ countries gained a slot, represented by Canada. The developing country representatives from the sherpa group continued as members of the PBIG, as did the BetterAid representative. They were joined by a member of the Inter-Parliamentary Union.⁴²

The challenge was to construct a “global-light,” and “country-focused” system that provided room for “differential commitments” and adequate monitoring to ensure compliance. A political body was needed to oversee implementation; it was soon decided that this body would have a Steering Committee that would provide policy guidance. The full Global Partnership would meet in plenary session every 18 to 24 months at the ministerial level. All countries that endorsed the Busan agreement would be invited to attend, and nations that were not present would be given an opportunity to endorse the Busan agreement.

A few of the G-77 members that had not endorsed were unlikely to come forward. In fact, in the spring of 2012 at the UN in New York and in other forums, some of these governments were actively attempting to convince G-77 members to withdraw their endorsements and to keep any reference to Busan out of G-20 and UN documents. In a regular April meeting of the Ibero-American group in Montevideo, Uruguay, Argentina tried to convince Latin American countries to withhold endorsement of Busan, arguing that it was not a UN conference.

At Busan we had managed to engage ministries responsible for development in their countries, thus limiting the ideological carping that often characterizes debates at the UN in New York. In the post-Busan period, however, the dynamic shifted when the Korean Foreign Minister and the Secretary General of OECD decided to send out a letter asking governments whether they would reconfirm their endorsement.⁴³ This guaranteed that foreign ministries would re-engage in the decision process. For many G-77 countries the OECD was outside the UN system and representative only of the rich countries; the letter became a red flag. Phone calls were made and steps taken to correct the misunderstandings and limit the damage. The most effective advocates for Busan were

the ministries of developing nations that had responsibility for development and that had negotiated the agreement a few months earlier. They attended a UN Development Cooperation Forum (UNDCF) in Brisbane, Australia, in early May 2012; there they managed to change the views of key UN officials who had heretofore heard only the New York-based G-77 point of view.

The PBIG reconvened for its final meeting in May, just after the UNDCF Brisbane meeting. Over two long days, it approved the Global Partnership mandate, created a Steering Committee of 18 members (with one ministerial co-chair from a DAC member state, one from a developing country and one from a new provider of development assistance), agreed to a support team made up of UNDP and OECD-DAC's Development Co-operation Directorate, and created a set of 10 indicators for use in a global monitoring system.

The global monitoring system was potentially the most sensitive issue for the South-South providers. China, Brazil, and India had made it clear that they did not wish to be monitored by northern DAC members. It did not seem enough that they could invoke the clause "on a voluntary basis." Enna Park and I were worried that they would use the monitoring issue as an excuse to walk away. We did not want to close the door to future participation, and so we offered language that would not only refer to the "voluntary" nature of the agreement, but also would signal that we had no desire in the future to embarrass them politically by pointing out that they were using the "voluntary" clause to avoid monitoring: "These new providers of assistance are not expected to participate in the global monitoring system in this initial Global Partnership arrangement. Their future participation in aspects of the global system is a decision left to evolving and sovereign processes..." The Brazilian delegate welcomed the amendment, but recommended changing the word "assistance" to "cooperation."⁴⁴

The Indian representative also welcomed the language. He reported, for the first time, that he had instructions from New Delhi, to say that India would continue to engage with the Global Partnership, but would do so "slowly." (He said that it was "very warm in Delhi now" and that this required "slow movement." This humorous yet very meaningful intervention was most welcome.)

The full set of recommendations was to be presented to the Working Party for endorsement at a June 27-28 plenary session. I warned that the "ball of yarn needs to be wrapped tight" as we could not afford to see it unraveled. I suggested that it was a complete package and that if any changes were needed later, they could be made by the newly empowered Steering Committee.

The final meeting of the Working Party on Aid Effectiveness was held at UNESCO headquarters in Paris. The mandate of the Working Party would end on July 1. This was the last opportunity for the 80 members to approve the draft mandate, the global monitoring indicators, the support team arrangements, and the makeup of the 18-

member Steering Committee, the body that would oversee the Global Partnership and provide political backing for the country-focused and global-light system prescribed by the Busan outcome document. As it turned out, membership on this Steering Committee became the most contentious issue.

The DAC “constituency” group was perhaps the most manageable, but even here we had some tension. Two very talented DAC ministers volunteered to serve as co-chairs. After the European Union tried and failed to resolve the issue, the matter was turned over to the DAC chair for resolution. I encouraged the two ministers to speak to one another and work it out, one perhaps serving the second term in the rotation. They spoke and decided that they wanted to poll the committee to test preferences. We then undertook a very discreet poll of the 24 members. (It had been suggested to the DAC that the poll be extended to observers, but this had not been within the defined boundaries of the PBIG “constituency.”) Mitchell won the support of the majority and was “elected” to the first co-chair position. He would be a strong and engaged leader. [Note: Mitchell was not able to assume the position as he was asked by the Prime Minister on September 3, 2012, to accept a new leadership position in the UK government—that of Chief Parliamentary Whip. Thus a new effort was undertaken to fill the donor co-chair seat. Two ministers immediately stepped forward to offer their services, an indication that there was continuing strong support for the Global Partnership within the DAC grouping. As of this writing, the new co-chair has not been selected.]

Other DAC members had volunteered to fill the three DAC positions on the Steering Committee and, given the regional distribution and personal qualities of the individuals, there was little controversy. Enna Park was proposed by Korea; the number two at USAID, Ambassador Don Steinberg, was proposed by the United States; and Gustavo Martin Prada, a former Busan sherpa, was proposed by the European Union. An “institutional” position was created for the OECD/DAC to be filled by the DAC chair. The UN Group also was assigned an institutional seat, and this went to UNDP senior executive Sigrid Kaag, who had been a strong ally as a member of the now defunct Working Party Bureau. The World Bank would represent the international financial institutions in the person of a senior official.

The civil society organizations had requested a co-chair position in the final PBIG meeting as well as an extra seat. This was not met with enthusiasm by other members or the Working Party chair, Talaat Abdel-Malek, who wanted to limit the size of the Steering Committee. This issue came to a head on July 28 in the Working Party plenary. Civil society representative Tony Tujan made this a test for the group, challenging the commitment to involve civil society on an equal basis. At the same time, the trade union organizations wanted a slot to balance the private sector. In the midst of this controversy, the civil society representatives decided to walk out of the meeting en masse. Soon after, they returned to the table saying that they had left only to consult. They continued to advocate for a co-chair position, but the matter was referred to the

new Steering Committee for resolution. This was only one of several membership issues that were kicked down the road.

Neither the developing country group nor the recipient/provider group could settle on co-chairs by the deadline. This was not surprising in that these so-called constituencies were much less well defined; in the case of the developing countries, membership covered the entire developing world. Many of the Working Party delegates were hopeful that Africa would nominate a strong candidate, as this region had the largest number of low-income countries. However, the African Union had earlier decided not to propose a candidate. (We found out later that a leadership transition at the African Union made it difficult to decide among regions.) The default position was that no candidate would be proposed. Working Party chair Abdel-Malek felt he had no choice but to accept. He had pledged to be passive in the selection process, and he stuck to that pledge admirably. I felt no such constraint and I called the President of Liberia, Ellen Johnson Sirleaf, and the President of the African Development Bank, Donald Kaberuka, to express regret that there would be no African candidate for co-chair. Both said they would help, and it was soon apparent that they had kept their promise. The African Union reopened the issue and came to the Working Party meeting prepared to ask for more time to poll their members. This was granted, and on July 19 Nigerian Finance Minister Ngozi Okonjo Iweala was nominated by the African Union. Known around the globe after her 2011 candidacy for the World Bank presidency, Okonjo Iweala would be a force for partner countries within the Global Partnership.

The recipient/provider group was even more complicated, as some emerging economies were not sure that they wanted to describe themselves in this way; others were adopting an “observer/active participant” stance (in particular China, India, and Brazil). South Africa agreed to take the lead in coordinating a response, but this group too needed more time, which was granted.

We had heard that Indonesia had expressed some interest in serving on the Steering Committee. There was enthusiasm for Development Minister Armida Alisjahbana being in the third co-chair position when development leaders convened at the annual “Tidewater” meeting in Australia in late June. Our host, the head of Australia’s AUSAID, Peter Baxter, said he would meet with Minister Armida the following week in Bali. In addition, Asian Development Bank Vice President Steve Groff also volunteered to write to her. Peter Baxter soon sent a message saying that she was willing to serve. I conveyed this to the Mexican PBIG delegate Gerardo Bracho, and on July 21, South Africa and Mexico reported that they had contacted Minister Armida and that the recipient/provider constituency group had selected her.

As one participant observed, this was a “dream team.” There was now no doubt that, even with Mitchell’s departure, the Global Partnership would be led by outstanding and well-recognized leaders.

Equally important, the Working Party agreed that the mandate of the Steering Committee should allow the invitation of observers. This left the door open to invite the emerging economies and the Arab Coordinating Group, which had also expressed interest in participating actively.

So the Global Partnership was born. It was not an easy process, but there was a will and a way was found. With the exception of the scramble to deal with the make-up of the vital Steering Committee, the Working Party approved the package delivered by the PBIG with only minor debate and no significant changes. The metaphorical “ball of yarn” survived intact.

The Global Partnership will be an organization that is unique: It will make equal partners of all its members, traditional donors, developing nations, new providers, civil society, parliamentarians, and the private sector. Is this the wave of the future in a shared-power, multistakeholder world? I would suggest that it is a model worth studying. We will know more in five years’ time whether this experiment in multilateral diplomacy produces a more results-oriented global development effort. It remains to be seen whether the Busan agreement will rationalize the global development architecture, reduce transaction costs, and boost development results. It might do all those things and, if so, it would be worthy of the word “historic.” However, even if only some of these objectives are reached, there will be little doubt that Busan created immense public value.

Reflections

For more than half the world, the Busan agreement holds potential as the lifeblood of progress, a vehicle to escape from dependency and an important means to hold donors to their commitments. Over time, the effectiveness agenda managed to engage the developing partners as nothing had before. They embraced the principles of ownership and saw the benefits of building capacity to lead their own development efforts. No one understood better than these partners the deleterious effects of fragmentation in global programs. If indeed the cost of uncoordinated effort was 30 percent of assistance resources (many cite this percentage, though little evidence exists to back it up), the cost was being paid by developing country citizens as well as Western taxpayers.

Public interest in the Busan forum was intense in the developing world and among development think tanks and advocacy groups in the West. Sadly, the mainstream Western press paid little attention. More than 300 journalists registered for the Busan Forum, most from developing nations or Korea. Advocacy groups were well represented and social media was highly active, Tweeting and running dedicated HLF4 blogs throughout the three days. This type of instant communication and analysis is now an integral part of conferences like this.

Commentary from the development think tanks in the immediate aftermath of Busan was somewhat predictable. To many, Busan demonstrated the unwillingness of the

donors to set deadlines on effectiveness commitments. Even the breakthrough with the emerging economies was viewed with skepticism, as the new “partnership” had yet to be defined. The significance of the effort to solve the “aid architecture” issue, the move to make it more difficult for donors to avoid using country systems, and the shift to development effectiveness had not been anticipated and were glossed over in the initial reports. The most thoughtful analysis was written by Homi Kharas of the Brookings Institution, who was present in Busan. He recognized the pros and cons, and signaled what was new.⁴⁵

Civil society had organized well to participate in Busan, embracing the effectiveness principles and adopting them in position papers, including in particular the statement made at the UN Conference on LDCs in Istanbul.⁴⁶ They insisted that the outcome document refer to both governments and citizens. They brought parliamentarians, local government officials, union officials, women’s rights organizations, youth groups, environmentalists, and human rights organizations to the table in Working Party meetings. With thousands of constituents, the BetterAid and Open Forum for Development Effectiveness grouping seemed, likewise, to have thousands of amendments to offer. Each was given serious consideration by government representatives. Only near the end of the negotiations in Busan did it become difficult to consider new proposals; by this time governments had a hard time checking new initiatives with lawyers and others back in their capitals.

As scholar Robert Keohane has observed: “Since states do not monopolize channels of contact among societies, they cannot hope to monopolize institutions of global governance...”⁴⁷ Busan may well have been the first international conference where this modern reality was fully accommodated. Often at these convocations, civil society is forced to run parallel programs. Sometimes the only way they feel they can make their voices heard is by disrupting the event. This time, some 500 civil society representatives were both at the conference table and inside the facility as registered participants.

The co-chair of civil society’s Open Forum for Development Effectiveness, Emele Duituturaga of Fiji, described the impact of this new approach in her closing remarks: “[in other forums] Our participation as global citizens has often been marred by detentions of civil society leaders (...) In the past three years, since Accra, more than 20,000 civil society organizations (...) in more than 50 countries, have been consulted on the process, agenda and expected outcomes of HLF4 (...) That is indeed remarkable, that we ourselves find hard to believe.”⁴⁸

Likewise, the private sector came away from Busan feeling that it had a role to play in the development process. Global business associations and development professionals alike promoted the role of the private sector “in advancing innovation, creating wealth, income and jobs, mobilizing domestic resources and in turn contributing to poverty reduction.” Commitments were made to improve the legal, regulatory, and administrative environment for private sector investment, to enable the private sector to

participate in the design of development programs and to further develop innovative financing mechanisms to mobilize private finance for development goals.⁴⁹

The developing countries also appreciated the commitment to “examine the interdependence and coherence of all public policies—not just development policies—to enable countries to make full use of the opportunities presented by international investment and trade, and to expand their domestic capital markets.”⁵⁰ As the benefits of globalization are increasingly called into question, developing countries are searching for development paths that enable more self sufficiency. It is right to be skeptical that an international agreement expressing good intentions to be more policy-coherent will produce action. However, we can be sure that developing country partners will be less tolerant of incoherencies than before the Busan agreement, and we can expect to see it referred to frequently in other international forums.

While DAC member states sponsored the 2005 Paris forum and promoted its principles, the guardians of the principles agreed to in Busan will be both DAC member states and their developing country partners, who largely drove the process. These last will insist increasingly on monitoring progress at the country level, and when results are tallied and reported, they will be owned by the host country. The Busan agreement provides these partners with the leverage they need to insist upon better coordination, more transparent efforts, and mutual accountability for results. The donors and new providers will also gain. If Busan is fully implemented, it will produce development results that can be reported to citizens in all participating nations.

If Busan is to reach its goals, the stakeholders will need to feel the pressure that only transparency and hard evidence can provide. Busan has helped trace a very clear path to a broader understanding of the potentially complementary roles of North and South in securing improved performance. Relationships will evolve in this new multistakeholder development community, and if they evolve positively Busan will have been the vital turning point. Many individuals and institutions contributed to the public value gained; they wanted to create positive self-fulfilling prophecies, not negative ones. Optimistic leadership by literally hundreds of people – often acting separately, often together – produced a real opportunity for global action in the cause of poverty reduction.

Endnotes

¹ The HLF4 (held in Busan, Korea, November 29–December 1, 2011) produced an agreement called the Busan Partnership for Effective Development Co-operation (see OECD, “Fourth-High Level Forum on Aid Effectiveness,” <http://www.oecd.org/dac/aideffectiveness/fourthhighlevelforumonaideffectiveness.htm>, accessed 9-24-2012).

² See OECD–DAC, “Fourth High-Level Forum on Aid Effectiveness: Summaries of Thematic Sessions and Building Blocks,” <http://www.oecd.org/dac/aideffectiveness/fourthhighlevelforumonaideffectivenesssummariesofthematicsessionandbuildingblocks.htm>, accessed 9-24-2012.

³ Jonathan Glennie, “Busan Has Been an Expression of Shifting Geopolitical Realities,” blog posted to *Poverty Matters Blog (The Guardian)* December 2, 2011, www.guardian.co.uk/global-development/poverty-matters/2011/dec/02/busan-shifting-geopolitical-realities, accessed 9-24-2012.

⁴ The previous forums were in Rome (2003), Paris (2005), and Accra (2008).

⁵ See DAC/DCD website: http://www.oecd.org/document/2/0,3746,en_2649_3236398_49478466_1_1_1_1,00.html.

⁶ Members of the OECD in 2011 included: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

⁷ Members of the DAC in 2011 included: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Union.

⁸ OECD (2011), Busan Partnership for Effective Development Co-operation, outcome document of the Fourth High-Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011, p. 2.

⁹ The DAC established the Working Party on Aid Effectiveness to find ways of producing greater impact from aid funds. To this end, the WP-EFF organized the various Forums (See “DAC in Dates: The History of OECD’s Development Assistance Committee”). <http://www.oecd.org/dataoecd/3/38/1896808.pdf>.

¹⁰ OECD (2012), Aid Effectiveness 2011: Progress in Implementing the Paris Declaration, Better Aid, OECD Publishing. <http://dx.doi.org/10.1787/9789264125780-en>. The Evaluation of the Paris Declaration, Phase 2, Final Report, May 2011. Bernard Wood, Julia Betts, Florence Etta, Julian Gayfer, Dorte Kabell, Naomi Ngwira, Francisco Sagasti, and Mallika Samaranayake. Available on www.oecd.org/dac/evaluationnetwork/pde and ordered free of charge online <http://pd-website.inforce.dk/>.

¹¹ The “Land, Labor and Capital” is a standard formulation in the economic field; it is attributed here to Dean Carol Lancaster of the Georgetown University School of Foreign Service.

¹² An exception is a volume edited by Michael G. Schechter, “United Nations-sponsored World Conferences,” United Nations Press, 2001.

¹³ The WP-EFF was supported by the OECD Development Cooperation Directorate (DCD), headed up by former Norwegian Ambassador Jon Lomoy, and in particular the DCD Aid Quality and Architecture (AQUA) team led by Brenda Killen, including: Emily Bosch, Hubert de Milly, Frederik Ericsson, Sara Fyson, Eudardo Gonzales, Rinko Jogo, Gimin Kang, Hanna-Mari Kilpelainen, Divya Mathew, Anthony Nguyen, Marjolaine Nicod, Robin Ogilvy, Elisabeth Sandor, and Suzanne Steensen. Communications for the secretariat was handled by Christine Graves.

¹⁴ I served as Administrator of USAID from May 1993 to July 1999.

¹⁵ “Shaping the 21st Century: The Contribution of Development Co-operation” was released in May 1996 at the Thirty-Fourth High-Level Meeting of the Development Assistance Committee, held on 6-7 May 1996. It may be accessed on www.oecd.org/dataoecd/23/35/2508761.pdf.

¹⁶ The United Nations Millennium Declaration was adopted by the UN General Assembly on September 8, 2000. It can be accessed on www.un.org/millenniumgoals/.

¹⁷ The Monterrey Summit on Financing for Development was held in Monterrey, Mexico, 18-22 March 2002. Report may be accessed on <http://www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf>.

¹⁸ Harmonization centered on: tailoring development assistance to the priorities and timing of the countries receiving it; increasing delegation and flexibility among donor staff on developing country programs and projects; and encouraging and monitoring good practice, backed by analytic work to strengthen the leadership of developing countries. See “Rome Declaration on Harmonisation,” available in OECD (2003), *Harmonising Donor Practices for Effective Aid Delivery: Good Practice Papers*, DAC Guidelines and Reference Series.

¹⁹ Ibid, p. 10.

²⁰ Ibid, p. 10.

²¹ The five Paris Declaration principles are: 1. Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption. 2. Alignment: Donor countries align behind these objectives and use local systems. 3. Harmonization: Donor countries coordinate, simplify procedures, and share information to avoid duplication. 4. Results: Developing countries and donors shift focus to development results and results get measured. 5. Mutual accountability: Donors and partners are accountable for development results.

²² Ibid, p.1. See *Financial Times* article describing 11th-hour challenges in Accra negotiations: Alan Beattie, “US and Japan fight overseas aid proposals,” *Financial Times*, Sept. 4, 2008.

²³ For a full description of the Working Party on Aid Effectiveness, see the DAC/DCD website on http://www.oecd.org/document/35/0,3343,en_2649_3236398_43382307_1_1_1_1,00.html.

²⁴ I was elected by the member states as the 13th DAC Chair in November 2009.

²⁵ Jean-Michel Severino and Olivier Rey, “The end of ODA (II) : The Birth of Hypercollective Action,” Center for Global Development, Working Paper 18, June 2010.

²⁶ OECD rules require prior approval for the attendance of nonmembers at formal meetings. The DAC has a unique mandate to invite nonmembers without prior approval of the OECD Council, but the committee must agree in advance of the meeting. While in this case the matter was discussed, no formal consent had been granted.

²⁷ The DAC/DCD website on “Promoting Dialogue Beyond the DAC,” at http://www.oecd.org/document/40/0,3746,en_2649_33721_45443983_1_1_1_1,00.html.

²⁸ OECD (2011), “Welcoming New Partnerships in International Development Co-operation,” OECD Development Assistance Committee Statemen, April 6, 2011, p. 1, <http://www.oecd.org/dac/47652500.pdf>.

²⁹ For more information on the China-DAC Study Group, see the DAC/DCD website: http://www.oecd.org/document/63/0,3746,en_2649_34621_44173540_1_1_1_1,00.html.

³⁰ “China’s Foreign Aid,” Information Office of the State Council, the People’s Republic of China, April 2011, Beijing.

³¹ See report of the DAC/Arab Coordinating Group and the statement issued on the DAC-DCD website: http://www.oecd.org/document/24/0,3746,en_2649_33721_48351000_1_1_1_1,00.html

³² Wood, B., et al. (2011) Op cit, p.2.

³³ In the end, only 78 of the 90 surveys contained data adequate for empirical analysis.

³⁴ OECD (2012) op cit.

³⁵ J. Brian Atwood, “Statement to the G20 on the Busan High-Level Forum,” September 20, 2011, http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CCIQFjAA&url=http%3A%2F%2Fwww.oecd.org%2Fdac%2FChair%2520Statement%2520to%2520the%2520G20%2520on%2520Busan.pdf&ei=c2BsUKa5L8PV0gGoy4HABw&usq=AFQjCNG0sIbNesWRx-RNGd_E_GGPtxnYoA&sig2=flaD--WHffV2j_F7CBpVLw.

³⁶ See the Birmingham Summit 15-17 May 1998 Communiqué: <http://www.g8.utoronto.ca/summit/1998birmingham/finalcom.htm>.

³⁷ The United Nations Millennium Declaration, op cit, p. 4.

³⁸ The Seoul Consensus on development was adopted by the G-20 Summit on November 12, 2010 in Seoul, Korea.

³⁹ The following individuals made up the sherpa group chaired by Talaat Abdel-Malek (WP-EFF chair) to negotiate the Busan outcome document: Mr. Iqbal Mahmood, Secretary, Economic Relations Division, Ministry

of Finance, and BANGLADESH; Mr. Antonio Tujan, International Director, IBON / BETTERAID; Ms. Ruhua Chen, First Secretary, Embassy of the PEOPLE'S REPUBLIC OF CHINA, Paris; Mr. Gustavo Martin-Prada, Director, DG DEVCO, EUROPEAN COMMISSION; Mr. Serge Tomasi, Director for Global Economy and Development Strategy, Ministry of Foreign Affairs, FRANCE; Ms. Lidia Fromm Cea, Director General for Co-operation, Ministry of Planning and Cooperation, HONDURAS; Mr. Mitsuhiro Wada, Deputy Director General, International Co-operation, Ministry of Foreign Affairs, JAPAN; Ms. Enna Park, Director General, Ministry of Foreign Affairs and Trade, KOREA (WP-EFF vice-chair); Mr. Gerardo Bracho, Counselor to the OECD, MEXICO; Mr. Ronald Nkusi, Director of External Finance, Ministry of Finance and Economic Planning, RWANDA; Ms. Mmakgoshi Phetla-Lekhethe, Director-General, National Treasury, SOUTH AFRICA; Mr. Helder da Costa, g7+ Representative, National Coordinator, Ministry of Finance, TIMOR-LESTE; Mr. Richard Calvert, Director General, Finance and Corporate Performance, Department for International Development, UNITED KINGDOM; Ms. Sigrid Kaag, Assistant Secretary-General and Assistant Administrator, UNITED NATIONS DEVELOPMENT PROGRAMME; Mr. Dirk Dijkerman, Representative to the Development Assistance Committee, UNITED STATES; Mr. R. Kyle Peters, Director, Operations Policy and Country Services, WORLD BANK (WPEFF vice-chair).

⁴⁰ Tran, M (2011), "China pulls out of aid partnership," *The Guardian*:
<http://www.guardian.co.uk/world/2011/nov/29/china-pulls-out-aid-partnership-busan>.

⁴¹ Now point 2 in the outcome document of the Fourth High-Level Forum on Aid Effectiveness. See note 8.

⁴² Members of the PBIG included: African Union Commission, Bangladesh, BetterAid (for civil society), Canada (representing CANZ), DAC Chair, Democratic Republic of the Congo (representing the g7+ countries), European Union, Germany, Honduras, Inter-Parliamentary Union, Japan, Korea, Mali, Mexico, OECD, Pacific Islands Forum, Rwanda, South Africa, Sweden (representing Nordic 0.7), UN Development Group, United Kingdom, United States, World Bank (representing multilateral organizations). Brazil, China, and India were participant observers.

⁴³ Letter signed by Minister of Foreign Affairs and Trade, Republic of Korea, Kim Sung-Hwan, and the Secretary-General, Organisation for Economic Co-operation and Development, dated 20 February, 2012, which reads in part "... we would also welcome confirmation of your support for the agreement set out in the Busan Partnership for Effective Development Co-operation." Letter sent to Ministers attending the Busan Forum.

⁴⁴ Paragraph 2 of the Busan Partnership Agreement states that "The nature, modalities and responsibilities that apply to South-South co-operation differ from those that apply to North-South co-operation. At the same time, we recognize that we are all part of a development agenda in which we participate on the basis of common goals and shared principles. In this context, we encourage increased efforts to support effective co-operation based on our specific country situations. The principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis." The full agreement may be accessed on <http://www.oecd.org/dataoecd/54/15/49650173.pdf>.

⁴⁵ Kharas, Homi, "How a new Global Partnership on Development was Forged at the Busan High Level Forum on Aid Effectiveness," Brookings Institution website on www.brookings.edu/research/articles/2011/12/20-development-cooperation-kharas.

⁴⁶ To access the Istanbul CSO statement go to http://www.cso-effectiveness.org/-home_091-.html.

⁴⁷ Keohane, Robert O., Duke University, "Global Governance and Democratic accountability," chapter prepared for a volume edited by David Held and Mathias Koenig-Archibugi from the Miliband Lectures, London School of Economics, Spring 2002.

⁴⁸ Duituturaga, Emele, closing ceremony speech by co-chair, Open Forum for CSO Development Effectiveness, December 1, 2011.

⁴⁹ For information about the private sector event at Busan, go to www.aideffectiveness.org/busanhlf4/.

⁵⁰ Ibid.