

SCENE SETTER

FROM AID TO GLOBAL DEVELOPMENT COOPERATION

The context for aid is changing. Globalization has spurred economic convergence, upending the post-war global economic balance and creating a smaller world where both problems and solutions spill across national borders more readily. This has given rise to a legion of new development actors, including emerging economies, NGOs, private businesses, and coordinating networks, who have brought fresh energy and resources to the field while rendering the prospect of genuine donor coordination ever more difficult. Global integration and competition for resources has raised the prominence of global public goods, whose equitable and sustainable provision requires international collective action. Meanwhile, poor countries are demanding a new form of partnership with the international community, built upon the principles of country ownership and mutual accountability.

Just as the global development landscape is changing rapidly, the role of aid is evolving. While aid has never been the solitary force behind development, contemporary development problems such as climate change and fragile states require inclusive and innovative approaches that draw upon the range of available development policies and tools. Aid must rise to these challenges, work in concert with the full field of development actors, and demonstrate a capacity to deliver results.

Two international summits, scheduled for November of this year, will serve as opportunities to alter the way in which global development cooperation is governed and to articulate a new narrative. Unfolding events in the Middle East and North Africa provide a litmus test of the adaptability and flexibility of international development efforts. At both the November summits and in the Middle East, leadership from the United States is crucial, placing pressure on the Obama Administration to deliver on its promise of far-reaching reform. And amidst this shifting global landscape is the issue of effectively communicating the importance of global development cooperation to both a national and global public, at a time when budget pressures are being felt across many of the world's major economies.

The 2011 Brookings Blum Roundtable will explore how best to reframe and modernize global development cooperation. By bringing together international thought leaders, entrepreneurs, and practitioners to debate issues and exchange knowledge on development, the conference serves to promote innovation and best practice, advance policy debates and identify the most promising pathways for reform.

On the first day, discussions will begin by considering the concept of aid, analyzing shifts in the development space and the catalytic potential of both non-traditional actors and instruments. Participants will also examine the necessity of collective action in tackling contemporary development issues, and the G-20's role in reshaping the global development agenda. Last year, G-20 leaders put forward a vision of development whose defining feature was its departure from past approaches – namely, moving the focus beyond aid.

The second day will provide an opportunity to preview this year's High Level Forum on Aid Effectiveness. The forum is taking place at a time when there is growing pressure on international aid, increasing the need to demonstrate its impact. The Arab Spring poses a compelling and unexpected challenge for the development community and will be a special focus of this year's roundtable. Protests across the region have shed light on the limitations of many of the standard measures used to assess development progress, and revived debates about the proper way to provide assistance to non-democratic regimes.

On the final day, participants will take stock of the U.S. Administration's efforts to reform its approach to development cooperation during a time of heightened budget insecurity. Modernization reforms face their sternest test in implementation and the next year will be critically important for consolidating gains and setting the stage for even deeper changes. Finally, participants will turn their attention to the problem of communicating development cooperation. The changing context of aid involves not just the development community, but various stakeholders from beneficiaries to legislators to the public at large. Misunderstandings about development must be addressed and expectations as to what development cooperation can achieve better managed.

Throughout the three days, roundtable discussions will be complemented by a number of additional events on related topics, including dinner and lunch conversations with featured speakers, and a public event held jointly with the Aspen Strategy Group.

The following sections provide an introduction to each of the six roundtable sessions. Individual policy briefs, as well as selected background readings, delve more deeply into each topic. Participants are asked to review these materials in advance of the sessions.

SESSION I: REFRAMING DEVELOPMENT COOPERATION

In almost any discussion of international development, foreign aid takes center stage. This gives an inflated - and thus distorted - sense of aid's role in the development process. Aid can certainly be a catalyst for development but it does not work in isolation. Measurements of aid are losing their utility because they are too broad to hold actors accountable and yet

not broad enough to capture relevant spending. And aid is only one of several policies by foreign countries which impact developing country growth and poverty reduction.

A combination of globalization and innovation has taken this a step further. Today there exists a diverse set of development policy instruments (from risk mitigation instruments to south-south cooperation and advance market commitments) which, by complementing each other, have the potential to leverage additional resources and deliver greater results.

Key Questions:

- ❖ *Do we need a new taxonomy of aid to match the diverse objectives of development cooperation?*
- ❖ *What would an effective balance of roles and responsibilities look like across the public and private players active in today's development landscape?*
- ❖ *What measures of development cooperation are most valuable for recipients, and how can development actors be encouraged to adopt them?*

SESSION II: THE G-20'S DEVELOPMENT AGENDA
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Last year's heads of state G-20 meeting in Seoul was the first time the leaders' club formally took up the issue of development. There they announced the *Seoul Development Consensus for Shared Growth* and the *Multi-Year Action Plan for Development*: two far-reaching policies which are expected to guide the G-20's future agenda and which are now being actively pursued through the G-20 Development Working Group. Given the limitations of the multilateral system, the G-20 is arguably the best hope for delivering results on a number of global development challenges that require collective action.

Key Questions:

- ❖ *How can the role and activities of the G-20 Development Working Group be strengthened and supported?*
- ❖ *Can the G-20 take on greater monitoring and accountability functions for international development commitments, such as the targets agreed to at the High Level Forum on Aid Effectiveness?*
- ❖ *Are the recent recommendations on agriculture and infrastructure sufficiently ambitious, or should the U.S. encourage the G-20 to push for more action in these areas?*

SESSION III: THE ROAD TO BUSAN

In November 2011, participants from over 150 countries including ministers of developing and developed countries, heads of bilateral and multilateral development institutions, and civil society representatives will take part in the fourth High Level Forum on Aid Effectiveness in Busan, South Korea. This meeting is intended to take account of the development community's successes and failures in achieving greater impact through aid and to redefine the aid effectiveness agenda to adjust to a changing global landscape. Success at Busan is made more difficult by the disappointing progress against the Paris Declaration and

the participation of new players who are not ready to sign up to a detailed set of commitments and targets.

Key Questions:

- ❖ *What would constitute success or failure at the fourth High Level Forum on Aid Effectiveness? And what type of agreement should emerge?*
- ❖ *How can effectiveness be measured among private and non-governmental actors?*
- ❖ *How can the principles of mutual accountability and ownership be more deeply embedded in donor-recipient partnerships?*
- ❖ *What metrics should come out of Busan and how can these best be translated into action?*
- ❖ *What role can the U.S. hope to play at the forum?*

SESSION IV: LESSONS FROM THE MIDDLE EAST ON GOVERNANCE AND AID

Popular protests across the Middle East against authoritarian and ineffectual rule have prompted reflection on the role of aid to non-democratic and poorly governed countries. Some critics believe that aid should only be given to relatively well-governed countries, where it is more likely to be effective and cannot be accused of propping up unsavory regimes. For others, this amounts to collective punishment for the people who suffer under such governments. Policy coherence has proven particularly challenging for the aid community in their dealings with autocratic and corrupt governments.

Key Questions:

- ❖ *What role can the development community play in supporting short term economic stability and longer term transformation in the Middle East?*
- ❖ *How should development actors support the provision of security, justice, and jobs? How can these priorities be balanced?*
- ❖ *Should less aid be given to misgoverned countries?*

SESSION V: IMPLEMENTING U.S. DEVELOPMENT REFORMS

The end of 2010 saw the completion of two major policy reviews in Washington concerned with international development: the Presidential Policy Directive on Global Development and the Quadrennial Diplomacy and Development Review. Progress on implementation has been significant in many respects and meager in others. Additionally, despite directives to deliver on many valuable priorities for improvement, essential components of fundamental reform are still in need of address. Casting a shadow across the exercise, or alternatively serving as a spur to focus, the budget environment has soured.

Key Questions:

- ❖ *What should be the priority reforms implemented before the end of the current presidential term? How does the creation of a U.S. Global Development Council fit in?*

- ❖ *How well are policy changes being implemented and reflected on the ground in developing countries?*
- ❖ *What are the risks and opportunities for the Administration's development reform agenda as a result of budget cuts?*
- ❖ *What further reforms are still needed to secure President Obama's vision of effective and elevated development as a central pillar of U.S. policy "equal to diplomacy and defense?"*

SESSION VI: COMMUNICATING DEVELOPMENT COOPERATION
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Public interest in and support for aid matter. Yet in many aid giving countries, there is widespread cynicism as to what end aid programs serve and ignorance as to what activities they actually involve. Many elected officials share these sentiments. Additionally, in the U.S. there is a high degree of misunderstanding with regard to aid spending levels. There is increasing recognition among public and private donors of the need for effective communication strategies that can address concerns and build support. Such strategies are particularly important at a time when development cooperation is evolving.

Key Questions:

- ❖ *How can development actors effectively communicate failures and successes? What are the best examples of effective communication by public and private development actors?*
- ❖ *What strategies work to overcome misunderstandings and misinformation among legislators and taxpayers?*
- ❖ *How are the challenges of communicating development cooperation different in developed and developing countries?*
- ❖ *What are the next campaigns that will emerge in international development and what role can advocacy usefully play to support them?*