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# The Troubled Relationship of the Emerging Powers and the Effective Development Cooperation Agenda

## History, Challenges and Opportunities

*Gerardo Bracho*

The troubled relationship of the emerging  
powers and the effective development  
cooperation agenda

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Tulpenfeld 6, 53113 Bonn  
☎ +49 (0)228 94927-0  
☎ +49 (0)228 94927-130  
Email: [die@die-gdi.de](mailto:die@die-gdi.de)  
<http://www.die-gdi.de>



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Gerardo Bracho

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## Abbreviations

AAA	Accra Agenda for Action
AMEXCID	Mexican Agency for International Development Cooperation
BIC	Brazil, India and China
BRICS	Brazil, Russia, India, China, South Africa
CBDR	Common but Differentiated Responsibilities
CPDE	Civil Society Partnership for Development Effectiveness
CSO	civil society organisation
DAC	Development Assistance Committee
DD	DAC donors
FfD	Finance for Development
GDP	gross domestic product
GPEDC	Global Partnership for Effective Development Cooperation
HLM	High Level Meeting
HMIC	High Middle Income Country
IDS	Institute of Development Studies
MDG	Millennium Development Goal
MOFCOM	Ministry of Commerce (China)
NSC	North-South cooperation
NEST	Network of Southern Think Tanks
Non-DAC IWG	Informal Working Group of non-DAC Providers of Development Assistance and Aid Effectiveness
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PBIG	Post-Busan Interim Group
SDG	Sustainable Development Goal
SSC	South-South cooperation
SSP	South-South providers
TT-SSC	Task Team of South-South Cooperation
UN	United Nations
UNDP	United Nations Development Programme
WP-EFF	Working Party on Aid Effectiveness (DAC)

## Executive summary

The Development Assistance Committee (DAC), the club of Western donors of the Organisation for Economic Co-operation and Development (OECD), launched the “Effective Development Cooperation Agenda” in 2005 at a High Level Meeting (HLM) in Paris. The Paris Declaration, its founding document, established a number of monitorable commitments from both DAC members and recipient countries intended to increase the effectiveness of aid or official development assistance (ODA). From the outset, the DAC sought to encourage the main emerging powers – Brazil, India and China (henceforth, the BIC) – which had for some years been increasing the volume of their South-South cooperation (SSC), to participate in the agenda as “emerging donors”, or “Southern providers” as they would later more accurately be called.

After a number of failed attempts, the DAC finally succeeded in late 2011 at an HLM in Korea: the BIC agreed to sign onto the Busan outcome document that initiated the Global Partnership for Effective Development Cooperation (GPEDC). Predicated on a new paradigm of “development effectiveness” (rather than aid effectiveness), this new body was intended to be more legitimate (with secretariat services not only from the DAC, but also from the United Nations Development Programme), more political (co-chaired by three acting ministers) and more focussed on new development challenges such as climate change and the proliferation of new financial instruments. Most of all, the GPEDC was to be more *inclusive*, involving not only the Southern providers, but also non-state actors. All these new players were expected to join a renewed commitments framework inherited from Paris, with commitments tailored to their specific circumstances. In short, the GPEDC was supposed to be a fundamentally new animal, capable of incorporating the Southern providers into the agenda. Only a few years later, however, on the eve of its first HLM in Mexico (2014), the BIC left the GPEDC. The main challenge of this discussion paper is to understand why.

Section 2, which is largely based on my personal involvement in the agenda, primary sources (official and informal documents, positions papers, notes, room documents and the like) and on interviews, reconstructs the evolution of the relation between Southern providers and the effectiveness agenda, from its inception through to the second GPEDC HLM in Nairobi (November 2016). Building on this historical narrative, Section 3 analyses the reasons for the Southern providers’ decision to break with the GPEDC. As is the case with most political decisions, a number of factors were involved. The goal of the section is therefore to determine which ones were the most important.

These factors fall in two broad categories: form and substance. With regard to the former, the BIC have often stated that they chose not to participate in the GPEDC because it is not a legitimate universal body (such as the United Nations [UN]) but rather an OECD-driven forum. This argument has some weight, but the evidence suggests that it was not the main reason for their departure, but rather an excuse. Moreover, the claim is not consistent with the BIC’s initial willingness to join the GPEDC, despite its venue, or with their collaboration with the OECD in many other areas. The BIC’s withdrawal had more to do with the “content” of the GPEDC narrative, with the issues at stake. This paper addresses three of these issues. First, the BIC (especially China and India) were uneasy with the way in which GPEDC was increasingly becoming another vehicle for disseminating the liberal post-war order, which, in some instances, they reject. Second, they were concerned about the possible

impact of the GPEDC narrative and/or agreements on UN processes. However, although these two issues had a bearing on the BIC decision to leave the GPEDC, the evidence suggests that the main bone of contention was a related but different issue: their “identity”, namely the question of the role that the BIC (and other Southern providers) were expected to play at the GPEDC. This issue was part of the more general geopolitical problem of how the emerging powers were to fit into a post-war liberal order now in flux.

The DAC, and later the incipient GPEDC, tried to engage the BIC as providers rather than as recipients of development cooperation, although as developing countries, they were – and still are – entitled to receive aid. The BIC eventually agreed to participate as suppliers of development cooperation, but the mode in which they would engage was a subject of intense debate and negotiations. Were they to join: (1) as donors with practically the same responsibilities in the effectiveness agenda and subject to the same scrutiny as the “traditional DAC donors”? (2) as SSC *partners* with no responsibilities and, at most, some *voluntary* commitments? or (3) considering their developing country status, as Southern *providers* with tailor-made “differential commitments” (a surrogate for the concept of “common but differentiated responsibilities” (CBDR), used in climate change negotiations)? At the negotiations of the Busan outcome document, most DAC members aimed for the first formula, whereas China and India insisted on the second. Promoted by an informal coalition formed, among others, by the DAC chair, the Korean hosts, Mexico and – late in the day but crucially – Brazil, the third “mid-way” option between “full donor commitments” and “no commitments” won the day. To ease their way into the GPEDC, a “Korean deal” was clearly set out in writing, stipulating that the Southern providers were to define at some later date their differential commitments and that, in the meantime, they would not be subjected to any monitoring or scrutiny. At the same time, they were encouraged to participate fully in the new Partnership and were assigned two positions in its governing body.

The GPEDC opened formally for business in mid-2012, but for a number of reasons – among them a rapid loss of institutional memory – the terms of the “Korean deal” seemed to have been disregarded. Two years later, during the discussions of the communiqué of the GPEDC first HLM in Mexico City (April 2014), the Southern providers’ agenda had not advanced. The constellation of forces, moreover, had changed considerably: the informal coalition that had favoured the third differential commitments option had practically vanished; China and India were now even more adamant about their conventional Southern *partner* identity (with no commitments); and practically all traditional donors now opposed any notion of “differentiation” and sought to promote a homogeneous identity for all “providers”, but now implicitly, within a weaker global commitments framework overall. In Busan, a number of donors had feared that differentiation might mean “all commitments for them and none for the Southern providers”, as had been the case in climate change negotiations. However, in Mexico City, some donors seemed uneasy with differentiation because they were dissatisfied with *their own commitments*, which they increasingly perceived as an unjustified burden made even worse by the “unfair competition” of new donor countries that had no commitments at all. These donors aimed for a new looser and more flexible international regime in which they would share some of the privileges enjoyed by Southern providers. Hence, they have bought into Southern concepts such as “mutual benefits”, or practices such as “mixing aid and trade”. They understood that these ideas were not compatible with a legitimate framework of differential commitments, which would exert



more pressure on every constituency to fulfil well-defined responsibilities. Therefore, they rejected any notion of “differentiation”.

With no third option to reconcile their opposed positions, the BIC and traditional donors confronted each other bitterly over the wording of the Mexican communiqué. The BIC (with the partial exception of Brazil) insisted on portraying themselves as SSC *partners*, whereas the donors sought to erase all differences among *providers*. To the chagrin of the recipient countries, both parties coincided in watering down the “effectiveness commitments agenda”, which had for years been the added value of the GPEDC in relation to other fora. International cooperation had fallen short: the GPEDC had failed to generate trust and understanding and had not managed to create a common language among its major players. On the surface, the GPEDC had incorporated the SSC narrative. In fact, however, it did not recognise the BIC as typical SSC partners. This became particularly clear when the results of the first GPEDC monitoring exercise were disclosed. Though based on legitimate data provided by recipient countries, the report broke with the spirit of the “Korean deal”: China and India were subject to practically the same scrutiny as any other cooperation providers. It was this loss of the battle over identity that probably tipped the balance and led the BIC to shun the Mexican meeting and the GPEDC. Since then, they have not returned. With the BIC out of the picture, the vision of a homogeneous community of donors – re-baptised in the Nairobi HLM as “development partners providing support” – took over the narrative of the GPEDC: the Southern providers lost their specific agenda and even their place on the Governing Board of the Partnership.

With the help of a simple, abstract “burden-sharing” model with three actors (donors, Southern providers and recipient countries), the paper moves on to discuss the causes and consequences of the breakdown of international cooperation at the GPEDC. It points to the lack of open communication among donors and the BIC, and it highlights the recipient countries’ lack of power and inability to broker a deal among these actors. Finally, it observes how the breakdown of consensus at the GPEDC moved a step further towards a loose international aid regime based on “voluntary” actions, precisely at a time when more cooperation and stricter commitments from all actors are needed to comply with the ambitious Sustainable Development Goals (SDGs).

Section 4, the fourth and final section, offers recommendations in historical context on what to do to revitalise the GPEDC and bring the BIC back in. It begins by recognising that much has changed during the four years since the BICs left. First, with the waning of the commitments agenda and the departure of the BIC, the GPEDC has focussed on “discourse” rather than “action”, has become less inclusive and has lost much of its political punch. It is no longer the GPEDC envisioned at Busan. In the meantime, the development cooperation agenda has also changed. After its rejection at the GPEDC, due to donor opposition, the notion of “differentiation” (represented through the CBDR concept) failed to make its way into the Finance for Development and the SDG agendas, despite support from the BIC, the G77 and originally even the UN Secretariat. More importantly, it suffered a likely fatal blow at the 2015 Paris Climate Change Conference, where it was practically replaced with the notion of “self-differentiation”, valid for North and South alike. Moreover, the recent graduation of a number of High Middle Income Countries (HMICs) from the DAC list of recipient countries (a controversial issue, since most can hardly be considered to have reached development) has made many of these countries more aware of the “advantages”

of receiving aid and less likely to support a Southern provider agenda. Finally, the geopolitical environment is now radically different. The election of Donald Trump, with his “America first” motto, is a bad sign for multilateralism in general, and the GPEDC in particular. Nevertheless, there are signs that China might be willing to occupy policy spaces abandoned by the United States, and changes in the political alignment of South America – with Brazil and Argentina lining up for OECD membership – may open opportunities for the revitalisation of the GPEDC.

After dealing with the new historical context, the paper argues that the GPEDC has two options to move forwards: it may either consolidate as a Davos-style discursive forum or try to reignite the commitments agenda. Although it might be easier to re-engage with the BIC with the first option – as other voices have claimed – this paper advocates for the second. Although the BIC’s frustration with the GPEDC hinges on the issue of commitments (and the “identity” associated with them), it is important for the sake of the recipient countries and for the “common good” that the GPEDC seeks both to reignite the commitments agenda *and* to re-engage the BIC. To do so, it should revive the “Busan spirit”, though not necessarily all its concepts. First, the GPEDC should try to engage the BIC frankly and openly as *Southern providers* (there are signs that China would be more willing now to accept this role), and thus to re-create a space for them in the Partnership, both in its narrative and governance structure. With regard to narrative, it would be a political non-starter to try to engage them on the basis of CBDR or even its surrogate: differential commitments. However, “self-differentiation” – the concept that moved the climate change agenda forwards – might work here, too. Whereas in differential commitments each constituency arrives at commitments specific to the situation of the group, in “self-differentiation” each country chooses its own commitments according to its own particular situation. This would circumvent the problem of bringing together such a nebulous and diverse constituency as the Southern providers, which even today lacks a clear narrative and boundaries. At the same time, traditional donors should comply with their constituency-based Busan commitments. With regard to governance structure, the GPEDC should redefine the “third country” constituency as one of “Southern cooperation providers” or – in keeping with the Nairobi nomenclature – as one of “Southern partners providing support”, rather than the current category of a “donor-recipient” constituency, which could describe practically any developing country. To make the Partnership more attractive to the BIC, the GPEDC should focus more on the more practical and less contentious topic of “effective development cooperation” – rather than the open-ended theme of “development effectiveness” – and make an effort to water down its Western DNA, giving more space to discuss other perspectives and experiences. Finally, the paper proposes a series of measures that would help to preserve the GPEDC’s institutional memory, as a lack of continuity played an important role in the waning of the Partnership.

## 1 Introduction

The Global Partnership for Effective Development Cooperation (GPEDC) is a broad multilateral platform for “development (cooperation) effectiveness”. From its inception in the High Level Meeting (HLM) in Busan (2011), one of its main objectives was to bring into the effectiveness agenda a “broad range of actors” increasingly involved in development cooperation. The idea was not only to attract non-state actors, but also to incorporate “new” governmental “actors”: specifically, the emerging powers or “Southern cooperation providers” that had been multiplying their development cooperation efforts for some time. Five years later, the GPEDC has had some success in involving civil society organisations (CSOs) and other non-state actors in the agenda. Although it started promisingly, it has largely failed to integrate the “Southern providers”: emerging powers such as China, India, Brazil and South Africa – all present in Busan – not only failed to engage further, but also refused to attend the most recent GPEDC HLM that took place at the end of 2016 in Nairobi. What went wrong and what can we do about it? These are the questions I seek to address in this paper.

The efforts of the Western-dominated “International Community” to cooperate with the emerging powers at the GPEDC is only a tiny part of a broad agenda to accommodate these countries – in particular China – in the increasingly deteriorating post-war liberal order. Although the “effective development cooperation” agenda might seem small and relatively irrelevant from a macro-geopolitical perspective, the obstacles that such cooperation efforts have faced are similar – in both nature and complexity – to the challenges of more consequential agendas. As in some of these other agendas, the issues of “political identity” and “burden-sharing” between established and rising powers – though rarely addressed in a clear and explicit manner – have been at the heart of the disputes between these two actors at the GPEDC. As my discussion of the history of the Partnership will show, the relations between the emerging powers and the GPEDC are best understood within the historical context of the North-South divide and the challenge that the emerging powers represent for the post-war liberal order. This paper, thus, situates itself in the realm of politics and diplomacy, rather than in the technicalities of the cooperation effectiveness agenda. An understanding of how and why cooperation broke down in this “soft agenda” can help us to grasp and overcome similar problems in other “harder” ones.

This paper has three broad sections. **Section 2** gives a historical and analytical account of the relations between the effectiveness agenda and the emerging powers from the first aid effectiveness HLMs in Rome and Paris (2003 and 2005) to the Busan summit and the first GPEDC HLMs (Mexico 2014 and Nairobi 2016). For this reconstruction, I mostly rely on my personal experience and on “primary sources”: position papers, notes, room documents and other such records.<sup>1</sup> These are complemented by the many published sources that the

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1 I was the Mexican (observer) DAC delegate from 2005 to 2011. In this context, I participated as Sherpa for middle-income countries at the negotiations of the Busan Outcome Document and the Post-Busan Interim Group that negotiated the governance structure and other issues relating to the new GPEDC. I then moved to the Mexican Agency for International Development Cooperation (AMEXCID) as Deputy Director General in charge of the effectiveness agenda (2012-2013). In 2013 I became a senior advisor at the DAC Secretariat, where I joined the group in charge of the GPEDC. Finally, in 2015 I joined AMEXCID again as advisor to the Director General dealing with the GPEDC, which Mexico was co-chairing. I left that position in March 2016, only eight months before the Nairobi HLM.

agenda has produced.<sup>2</sup> I have dealt with the short period in which I was not directly involved in the agenda by interviewing functionaries at the Organisation for Economic Co-operation and Development (OECD) as well as officials in the Mexican and Dutch foreign ministries that co-chaired the GPEDC in its path towards the Nairobi HLM. This first section is probably the most innovative part of the paper, since, to my knowledge, this story has not yet been told in any detail.<sup>3</sup> In order to move forwards on a firmer ground, it is important to have a clear and coherent understanding of how we arrived at the current impasse. This is the goal of the second section.

**Section 3** adopts a more analytical approach. On the basis of the historical account, it aims to answer the crucial question: Why did the emerging powers leave the GPEDC? As with any complex historical phenomenon, their reluctance to engage may be attributed to a number of factors. In the first part of the section, I look at each of these reasons and establish a hierarchy among them. The departure of the emerging powers from the GPEDC represents a failure of cooperation among the main actors of the effective cooperation agenda: traditional donors, Southern providers and recipient countries. With the help of a simple abstract model, the second part of this section seeks to understand why cooperation among these three actors broke down and undermined the (fragile) consensus that had been achieved in Busan.

The **fourth** and last section offers “recommendations” on how to try to bring the Southern providers back to the GPEDC. The way forward cannot be simply a return to the Busan consensus, for the present international context has changed dramatically since the Busan outcome document was adopted almost six years ago. Nevertheless, I do believe that it is important to re-ignite the spirit of Busan. To develop a strategy to do this, I proceed in three stages. First, I discuss what kind of institution the GPEDC has become. How to re-engage the emerging powers depends on the path the Partnership can follow. Second, I explore how the development agenda has changed with the adoption of the Sustainable Development Goals (SDGs) and the Paris climate change deal and how a new geopolitical environment has emerged with the election of Donald Trump. The latter is bad news for multilateralism but might open a window of opportunity to re-engage the emerging powers at the GPEDC. The section closes with concrete recommendations on how to move forward in the new international context.

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2 Most primary sources are quoted in the text and are not included in the reference list.

3 There are two other “insider” detailed accounts of the evolution of the effectiveness agenda: one by Talaat Abdel-Malek, the last chair of the Working Party on Aid Effectiveness, and the other by Brian Atwood, the DAC chair from 2010 to the end of 2012. Both are truly indispensable. Abdel-Malek deals with a long period (from the HLM in Rome in 2003 to the GPEDC in Mexico in 2014), whereas Atwood focusses on the crucial event of Busan (2010-2012). As both deal with the entire effectiveness agenda, the relation between the GPEDC and the emerging powers is an important element in their stories, but it is only one among many. See Abdel-Malek (2015) and Atwood (2012).

## 2 A history of the relations between the emerging powers and the effectiveness agenda

Development aid, as a specific area of public policy, emerged in the post-war period, spurred by decolonisation and the Cold War, which set off a competition between the “West” and the “East” for influence in the “South”. Its practices and norms were gradually codified during the late 1950s and early 1960s and evolved into a veritable “aid system”, created and/or supported by a number of ad hoc institutions, including the United Nations (UN) development units, development banks, cooperation agencies, development ministries, and not least, the Development Assistance Committee (DAC) of the OECD, which is a club of Western donors promoted by the United States. It was mostly in the UN, early in the post-war era, that the guiding *philosophy* of this system took root: the idea of dividing countries into “developed” and “developing” nations (donor/recipient or North/South), in which the former assumed the responsibility of giving aid to the latter. Nevertheless, it was mostly the DAC, created in 1960, that shaped the *content* of the post-war aid system.<sup>4</sup>

Although the post-war aid system was largely shaped by DAC donors, the recipient countries have not been passive. From the outset, Southern players have approached this agenda from two perspectives: as *recipients of aid* and as *partners in South-South cooperation* (SSC). As recipients, when the post-war order was being negotiated in the 1940s, Southern countries *demand*ed both aid and preferential treatment from the North. It was indeed partly through their pressure that the responsibility/rights framework of the aid system came into existence. They were conscious that, by demanding aid, they risked surrendering some of their hard-won sovereignty, but they have generally preferred to *manage* this risk rather than forgo Northern aid.

To reduce the *sovereignty costs* implicit in requesting aid, developing countries adopted a number of strategies. To start with, they began to represent aid not as a generous undertaking but as a “compensation” for (very real) historical wrongdoings. At the same time, they began to push for a more generous and comprehensive aid agenda without conditions and with more concessional flows, fair trade and technological transfers. To achieve this “better aid”, they often played the donors against one another (in particular the Communists against the Western powers) and sought to have a greater voice in the emerging multilateral aid institutions. In short, without refusing aid, the South, from the outset, both contested the North-South aid system and tried to reshape it.

Developing countries have also engaged in the post-war international system agenda as partners in SSC, in which they cooperate with one another, providing and receiving “development cooperation” – a concept which they adopted from the outset – instead of aid. Shaped by the ideology of the Bandung Conference (1955) and the statist development economics expounded in UN fora, SSC seeks to a certain extent to “model” the type of cooperation that the developing countries hoped the Northern countries would adopt: unconditional, respectful of sovereignty, mutually beneficial (i.e. without the “aid” stigma)

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4 From its inception, the DAC searched for precise answers to the following basic questions: What counts as “aid”? How does one recognise a “developing country”? How much ODA are donors expected to give? In addition, in accordance with what rules, norms and modalities should ODA be provided? This last issue, which has come to be known as the “effectiveness” agenda, will be the focus of this paper. For a history of the origins of the DAC, see Bracho (2011).

and horizontal. SSC is thus a parallel system of “development cooperation” based on different principles and developed in other fora than the DAC-driven aid system of North-South cooperation (NSC). Though opposed in their rhetoric, these two traditions developed almost independently of each other.

The DAC took little notice of SSC, which involved relatively few resources and whose ideology began to fizzle out as state-led development models gave way to market-driven ones during the late 1980s and the 1990s. By the turn of the 21st century, matters had changed considerably: the rise of China and other “emerging powers” from the South brought greater levels of cooperation from the South and a revival of the SSC agenda, whereas the flaws of the Washington Consensus development model revealed profound cracks in NSC theory and practice. By the early 2000s, the DAC faced the double challenge of renewing its own “acquis” and engaging with the “emerging donors” from the South. To a large extent, it tackled them through the aid effectiveness agenda. Given the historical context, the attempt to bring major Southern powers “as donors” into an aid effectiveness agenda fostered by the OECD-DAC was bound to be problematic. This paper shows to what extent it has indeed been so.<sup>5</sup>

### *The Paris Declaration and its woes*

From the outset, the DAC considered “aid effectiveness” to be one of its core topics. After years of producing more or less disjointed recommendations on how to make aid more effective, the DAC – validated by other stakeholders such as the World Bank and a large number of recipient countries – set out to systematise its position at an HLM held in Paris in March 2005. The result was the Paris Declaration – the main milestone of the effectiveness agenda – which was adopted by a large number of countries and relevant multilateral organisations.<sup>6</sup> The Paris Declaration not only systematised previous thinking, but also marked a break with the recent past. It offered a critique of the aid practices of the Washington Consensus, in which aid was used as a supply-driven device to impose one-size-fits-all market adjustment policies, with disastrous results in many quarters. By representing the concept of “ownership” (and of “alignment”) as fundamental for ensuring aid effectiveness, the Paris Declaration sought to break with such practices and to empower recipient countries to determine their own path to development. It was hoped that this would not only improve development results, but also help to generate domestic capacities and democratic structures.<sup>7</sup> In addition, the Paris Declaration encouraged DAC donors to improve their *harmonisation* (by streamlining their administrative procedures to reduce high transaction costs) and *coordination* (to focus aid on the neediest and avoid “aid orphans”).

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5 For analysis from different perspectives of the troubled relations between the DAC and the emerging Southern donors, see Besharati (2013), Esteves and Assunção (2013), De Renzio and Seifert (2013) and Bracho (2015).

6 Strictly speaking, the modern effectiveness agenda was born at the Rome “High Level Forum on Harmonization of Donor Practices” in 2003, but it was in Paris that this agenda really took off with the more comprehensive approach articulated in the Paris Declaration. For a thoughtful account of the contributions of both the Rome and Paris HLMs, see Abdel-Malek (2015).

7 For a good critique of aid practices in the Washington Consensus era, see Glennie (2008). On the Paris Declaration as a partial reaction to Washington Consensus practices, see Manning (2006). In the same vein, Niels Keijzer and Heiner Janus refer to the Paris Declaration as an “anti-ineffectiveness manifesto” (Keijzer & Janus, 2016).

Following the example of the Millennium Development Goals (MDGs), which to a large extent had also been conceived in the DAC, the Paris Declaration established a number of monitorable commitments to be fulfilled by 2010. Within the dualistic logic of the post-war aid system, special commitments were established for both donor and recipient countries (and in some cases the same commitments for both). From a donor perspective, these commitments, when applied, generally involved a partial loss of autonomy, and thus “costs”: restrictions on their geopolitical use of aid; limitations on their ability to direct aid according to their preferences; efforts to harmonise administrative procedures with other countries; the loss of economic advantages through the untying of aid, etc.

Both donors and recipient nations came to have reservations about the Paris Declaration. As the results of the first monitoring exercises came in during the implementation phase, though most of them had complied poorly, donors came to realise the extent of the “costs” they were expected to assume. Indeed, they had failed to perform, in part because reforms were costly – a factor not properly gauged at the Paris HLM. At the same time, the Paris Declaration was badly received in UN and G77 circles, where it was seen as a “donor-driven agenda”. This was generally true, but it was far from being “donor friendly”. Although it imposed stringent constraints on recipients, it also sought to curtail many of the “freedoms” that donors had abused in the past.

The Paris Declaration fell short in another respect as well: its ability to deal with the so-called “non-DAC donors”. The concept of non-DAC donors, which had existed since the creation of the DAC itself, had generally been used to refer to the communist “developed” countries, which had traditionally refused to engage with the DAC and vice versa. The concept was later expanded to include a restricted group of petroleum-rich Arab nations. By 2005, however, with the communist alternative shattered, the DAC hoped to unite the whole community of donors in a common vision outlined by the Paris Declaration. It soon became clear, however, that this would not be a simple matter.

Countries such as Poland, the Czech Republic and even South Korea, who were all present in Paris, were happy to assume their roles as (incipient) “donors”. Indeed, some years later, all three – and several others – had joined the DAC. Greater resistance, however, was met from the Southern countries, increasingly known as “emerging economies” or “rising powers” – most notably, China, Brazil and India (henceforth the BIC) – some of which were already providing substantial amounts of cooperation to poorer countries. These donors would later become known as the “Southern providers”. Although they participated in the HLM in Paris and were beginning to behave more consistently as donors, they were not yet ready to engage in this agenda. They had good reasons for hesitation. First, according to the dualistic logic of the DAC aid system, these countries were supposed to be considered *recipients* and not donors. As middle-income countries with important development challenges of their own, they still formed part of the DAC list of recipient countries and were eligible to receive official development assistance (ODA). Second, their cooperation was predicated on the principles and practices of SSC, a paradigm which, as we have seen, rejected many aspects of the DAC aid system. They were, therefore, reluctant to be considered

donors, and, as providers of SSC, they refused to engage with an “alien” Northern agenda.<sup>8</sup> The content of Paris Declaration also failed to interest them as recipients, for the commitments and narrative were primarily directed at low-income countries with limited capacity, and thus were not relevant to them. The latter, which were just beginning to receive more cooperation from these “new providers”, did not put any pressure on them; only later, as we shall see, would some of these typical developing countries join the traditional donors in demanding that the Southern providers assume a clear “donor identity”. In sum, as they had no place in the agenda, the Southern providers generally refused to engage it seriously. This was a blow for a project that had, from the outset, attempted to be relevant in one way or another for all types of countries.

The DAC did not immediately understand the “legitimacy gap” of the effectiveness agenda or the reluctance of Southern countries such as Brazil, India and even Mexico – an OECD member – to engage with the Paris Declaration. For these countries, the Paris Declaration lacked legitimacy in two ways. The first was a formal matter: it was driven by the OECD rather than the UN. The second problem was a matter of substance: the Paris Declaration did not include a space or narrative for providers of SSC. During the years between Paris (2005) and the fourth and last HLM of this agenda in Busan (2011), the DAC’s Working Party on Aid Effectiveness (WP-EFF) attempted to address this double gap.<sup>9</sup> First, it gradually opened itself to new actors, becoming an ever more “peculiar” DAC subsidiary body and eventually transforming itself in Busan into a new type of institution: the Global Partnership for Effective Development Cooperation, in which DAC members were but one constituency among various other “donor” groups, though they were, of course, a particularly crucial one. Second, the WP-EFF sought in a trial-and-error fashion to capture the concept of the Southern provider. In what follows, I focus on this second process.

### *An agenda for “non-DAC donors”?*

By the early 2000s, the strong North-South tension, which had been a major feature of international relations until the 1980s, seemed out of the way. As a result, the DAC did not have SSC on its “radar”.<sup>10</sup> It was some time before it perceived the emerging powers as “Southern providers” inserted in their own SSC tradition and not just as another group of “emerging donors”. Almost a year after Paris, Richard Manning, the DAC chair at the time, published a particularly prescient article on “Emerging Donors”, but one that reveals the analytical limitations of the period (Manning, 2006). Manning divides non-DAC donors into four categories: OECD members (i.e. Turkey, Korea, Mexico, Poland, etc.), EU countries that were not OECD members (Bulgaria, Latvia, etc.), OPEC and Arab donors (Saudi Arabia, Qatar, Venezuela, etc.) and countries that belonged to neither the EU nor the OECD (China, Brazil and India, but also countries such as Russia and Israel). The concepts

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8 Brazil adopted Paris on the provision of a ratification that never came. India joined later, but clarifying that it had not joined as donor. Mexico, also uncomfortable with such a label, demanded assurances from the DAC Chair about the implications of subscribing to the Paris Declaration. Others just refused to engage and play ball.

9 WP-EFF, created as a DAC subsidiary body to administer the effectiveness agenda, was formed in 2003 after the Rome HLM on *Harmonization*.

10 The statist ideology of the South had received a double blow with the end of communism and the rise of an ill-fated market fundamentalism under the Washington Consensus.



of the South and SSC, however, are not mentioned at all.<sup>11</sup> Given Southern providers' hesitation about the Paris Declaration, if the DAC wanted to engage them and to draw them into the aid effectiveness agenda, it had to refine its typology and recognise the specificity of their situation and practices. Moreover, it had to be open to discussing its entire philosophy of aid.<sup>12</sup>

In November 2007, the DAC created an “Informal Working Group of non-DAC Providers of Development Assistance and Aid Effectiveness” (Non-DAC IWG), led by Japan and Russia, with the mandate to advance the “non-DAC donors” agenda during the run-up to the third effectiveness HLM in Accra. The Non-DAC IWG still operated very much within the framework of Manning's essay. Not surprisingly, it was successful in engaging high-income countries that had already defined themselves as donors in the making, and thus as future members of the DAC. It made little progress, however, with Southern actors. There was, indeed, little common ground among countries such as Poland or the Czech Republic (EU members with a former communist background) and India or China (Southern countries with a colonial or semi-colonial past) on issues of development cooperation. The divide between “incipient (DAC) donors” and “Southern providers” that had first emerged in Paris was once again apparent. The Non-DAC IWG met only twice and disbanded on the eve of Accra having made little progress.

### *Incorporating South-South cooperation*

As efforts to establish a constructive dialogue among such a diverse group of “non-DAC donors” had now stalled, the DAC and the WP-EFF began to take note of the “South-South cooperation” agenda, not least through the endeavours of Mexico – the only typical country from the South present (as an observer) at regular DAC meetings.<sup>13</sup> By the time of the HLM-3 in Accra (September 2008), South-South cooperation had taken centre stage. In contrast with the Paris Declaration, the Accra Agenda for Action (AAA) – though still predicated on the dualistic logic of “donors and developing countries” – included a number of references to South-South cooperation, especially in article 19, which encouraged SSC partners to use the Paris Declaration principles “as a reference” to increase the effectiveness of their development cooperation. After Accra, the WP-EFF went even further and incorporated a representative of a *new third bilateral actor* in its newly formed Steering Committee, which it labelled as a “dual” donor/recipient country (i.e. SSC actor). In a similar vein, a “Task

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11 Manning goes on to explore the potential impact of the “new wave” of emerging donors on the DAC aid system. On the positive side, we have the introduction of new sources of cooperation and (ideally) the stimulation of healthy competition among donors. The danger was the erosion of “good (DAC) aid standards” with foreseeable consequences such as excessive debt, corruption, etc. To avoid falling into the “traps” that “bad aid” had produced in the past, Manning argued that the non-DAC donors should make an effort to apply the norms and good practices that the DAC had distilled from decades of experience. For an extreme view of these worries at the time, see Naim (2007).

12 Manning recognised that these actors were also recipients of ODA and even analysed in some detail the profiles of India and China as recipients, but this analysis had no impact on his typology or recommendations. These countries would have to apply the Paris “standards”, both as recipients and donors.

13 At the time, Turkey and Mexico were the only Southern actors with observer status in the DAC. However, for historical and geopolitical reasons, Turkey had never been as involved with the South agenda as Mexico was. For Mexico's role in this agenda see Villanueva, Ulgard and López Chacón (2017). See also Atwood (2012) and Bracho and García-López (2011).

Team of South-South Cooperation” (TT-SSC), another sub-group of the WP-EFF, was created. The SSC agenda, thus, now had a strong presence in the reinvigorated WP-EFF that emerged from Accra. In what amounted to a U-turn, no trace was left in the AAA of Manning’s early typology or of the vision of the Non-DAC IWG. The “other” (non-Southern) non-DAC donors were not even mentioned and had no formal representation in the new Steering Committee – a displacement that they, not surprisingly, resented.

From the DAC’s point of view, the shift from “non-DAC donors” to “SSC” was an attempt to bring the big Southern providers (China, India and Brazil) into the agenda. Nevertheless, though China had participated in Accra and seemed happy with the AAA, it was ultimately not successful. Although it was not clearly understood at the time, the “SSC” label actually encompassed two quite different agendas, which have been called “little SSC” and “big SSC”.<sup>14</sup> The former refers to the traditional SSC discourse of piecemeal “horizontal technical cooperation” among developing countries at similar levels of development – an agenda enshrined in the Buenos Aires Action Plan of 1978. This agenda had emerged before the rise of the Southern powers, at a time when the South could still be considered a more or less homogenous group. Even today, this type of narrative makes sense to describe the reciprocal cooperation flowing between countries such as Peru and Ecuador. “Big SSC”, in contrast, points to what in many respects is a new agenda: that of the emerging powers of the South, which have significantly increased their cooperation programmes (or are in the process of doing so), and which are behaving more and more as *donors*. This agenda deals with the type of aid that China gives to Mali, that India gives to Nepal or that Brazil gives to Haiti: cooperation among developing countries at different stages of development and/or with very different state capabilities. In this respect, Manning was not wrong in considering these latter players to be some sort of “non-DAC donors”. His omission was rather not sensing that – for a number of historical and socioeconomic reasons – these countries were significantly different: they were not “donors” but “Southern providers” (as they were later more accurately described) with their own SSC narrative, which, as we saw, had developed very much in confrontation to that of NSC. The traditional SSC narrative, enshrined in Buenos Aires and fostered in the UN, was increasingly inadequate to account for them. They were in many ways in a need of a “new narrative”, which has yet to emerge (Bracho, 2015).

In short, by the early 2000s, SSC was a discourse used to describe two quite different realities or practices; with the paradox that though it was basically directed at the “Little SSC”, after decades of slumber it was becoming fashionable again due to a quite different “Big SSC”. When the WP-EFF turned its attention from the non-DAC donors to SSC players, thus, it hoped to attract the emerging powers that had revived the Southern agenda. As these countries failed to take the bait, however, the vacuum was filled by more normal and representative Southern countries, such as Colombia and Indonesia. Colombia led the Task Team on SSC that later organised a large SSC summit in Bogotá (2010). This WP-EFF body focussed on an orthodox Buenos Aires-type agenda, updated with the new concept of “knowledge-sharing”. This was, of course, a useful endeavour, but not one designed to encompass the Southern providers or to bring them into the effectiveness agenda.

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14 These labels, which have been around for some time, were recalled at the recent Delhi-3 conference on SSC (25 August 2017) by Neissan Besharati, an experienced South African researcher.

*The road to Busan: focussing on the Southern providers*

In the period between the Paris Declaration and the eve of Busan, the WP-EFF had approached the emerging powers from two opposite perspectives: first, as if they were typical “non-DAC donors” (the Non-DAC IWG), and second, as if they were typical SSC players (TT-SSC). As we have seen, however, in reality they were neither. Not surprisingly, the results were disappointing. Although the main emerging powers (China and Brazil more than India) participated intermittently in the Non-DAC IWG and TT-SSC meetings, they failed to engage in a substantive way. As Busan approached, a third, more focussed attempt was made to engage them, this time as veritable “Southern cooperation providers” within the broader SSC umbrella.

Two rather subjective factors contributed to this realignment. The first was the appointment of Brian Atwood as the DAC chair in January 2010.<sup>15</sup> The second was South Korea’s increasing level of engagement as the upcoming host of the Busan meeting, led by Enna Park, a resourceful diplomat determined to involve China and the other emerging powers in the discussions.<sup>16</sup> Under Atwood’s leadership, in April 2011 the DAC produced a unilateral statement on “Welcoming New Partnerships in International Development Cooperation”, which called for an “open dialogue without preconditions” with providers of South-South cooperation.<sup>17</sup> In the six years following the Paris Declaration, the DAC had clearly come a long way. Instead of preaching, it was entering into dialogue. Moreover, far from ignoring SSC, it now recognised the specificities of the Southern providers.

The next step was to try to involve these Southern providers in drafting the Busan outcome document that would give birth to the GPEDC. After a first phase of plenary discussions at the WP-EFF, the final content of this document was to be negotiated by a small group of “Sherpas” representing each constituency. The TT-SSC would have been the natural place to choose the delegates of the “donors/recipients” constituency. However, as this body had proven to be incapable of drawing in the large Southern providers, Korea took over the task and chose China, South Africa and Mexico for this role.<sup>18</sup>

The Sherpa group of 18 members met for the first time in Paris on 27 October 2011. It tackled not only traditional effectiveness matters, but also a larger and more ambitious agenda of “development effectiveness”, which included the crucial issue of how to bring in the Southern providers. Three positions were put forward, all dealing with the *identity* of

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15 Atwood had vast experience in the development field as well as strong political backing from the Obama administration. Both he and Jon Lomoy, the director of the DAC Secretariat at the time, showed great interest in the Southern providers’ agenda.

16 For South Korea’s role in the Busan agenda and in bringing in the SSC providers, see Kim and Lee (2013).

17 Atwood read the statement on 6 April 2011 at a DAC Senior Level Meeting in the presence of delegates from China, Brazil, South Africa, Indonesia, Mexico and Turkey (DAC, 2011); see also (Atwood, 2012, p. 10). The statement is reproduced in Annex 1.

18 By then, thanks to the TT-SSC and the World Bank, an updated traditional “little SSC” narrative focussing on horizontal partnerships and knowledge exchange among typical Southern countries was already well embedded in the effectiveness agenda and the first drafts of the Busan outcome. What was lacking, however, was a narrative to bring in the Southern providers. Park had originally asked Brazil to join the Sherpa group, but, as it declined, she opted for Mexico in light of its profile and “mediating role” in the agenda.

these new players. At one extreme, a number of traditional donors, implicitly reverting to Manning's typology, insisted on considering them "*normal non-DAC donors*" in a position to join the commitments framework devised in Paris and Accra and set to be modernised in Busan. At the other extreme, China, taking a defensive stance, represented itself as a *typical developing country* and thus put forward the traditional "small SSC" narrative, which considered SSC as merely "complementary" (to NSC) and entirely voluntary.<sup>19</sup> These positions inspired distrust on both sides. On the one hand, the traditional donors suspected that China was embracing an outdated ideological jargon to conceal its unwillingness to commit to scrutiny or to common rules and practices. On the other hand, China suspected that the traditional donors were really aiming at burden-sharing, that is, taking advantage of the arrival of "new players" to "do less" themselves.<sup>20</sup> These two positions vied for legitimacy in the eyes of the recipient countries, who wanted commitments from *all types of donors or providers* and, thus, were willing to buy into the suspicions of both sides. They pushed for the traditional donors to make greater efforts to fulfil their Paris and Accra commitments, but they also wanted the Southern providers, which they implicitly considered to be different from other "small SSC players", to assume commitments in some way.<sup>21</sup>

There was, however, a third alternative between these two extremes – championed by South Korea and Mexico, among others – that was in tune with both the DAC narrative that had evolved under Atwood's leadership and the demands of the recipient countries. This third way explicitly recognised the specificity of the Southern provider. In contrast with China's position, it held that these new actors should join the effectiveness commitments agenda, but in contrast to a number of traditional donors, it argued that they should do so with *differentiated* responsibilities. The second and third drafts of the Busan outcome document seemed to adopt this third option in a timid way by introducing the principle of "common but differentiated responsibilities" (CBDR) at the very end of the text, a concept originally supported by Mexico, among others.<sup>22</sup> Sensing the need to give it more prominence in the text and to explain its meaning within the development effectiveness context, Mexico

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19 For a good analysis of the rationale of China and other emerging powers to maintain a "poor developing country" identity, see Weinlich (2013). Though, as should be expected, they have never really been consistent with this strategy and, for reasons of prestige and realism, they simultaneously emphasise their "provider" role. For an argument of "reputational legitimacy" as a major driver for Southern countries to provide aid, see Gulrajani and Swizz (2017).

20 Indeed, China called on DAC donors to fulfil their historical commitments and proposed a number of amendments to the third Busan draft that implicitly denounced what it considered a "burden-sharing exercise". Among them, China was wary of the presumably "innovative" concept of "development cooperation effectiveness" (which lacked clarity and consensus) and preferred the existing term, "aid effectiveness" instead. Furthermore, China complained about using the concept of "providers of development cooperation" (instead of donors) to refer to DAC members, and feared that by committing to increase the effectiveness of their aid, donors would have an excuse to reduce their aid volumes. It proposed several amendments to prevent this. Although since then, China has shifted its position and has no problem identifying itself as a "Southern provider", this suspicion continues to haunt the agenda, as Professor Xiaoyun Li has suggested in a recent article: "The emerging powers think that the GPEDC is the strategic way to buy-in the emerging powers in order to share the DAC's heavy burden accumulated over decades" (Li, 2017, p. 7).

21 At the Busan negotiating process, a group of recipient countries issued a "position paper" that differentiated between SSC partners and non-DAC aid providers, suggesting that the Southern providers belonged to the latter group.

22 The concept was inserted in the very last paragraph (29th) of the drafts under the subtitle "The Road Ahead". See WP-EFF (2011a).

proposed a new paragraph for the third draft. This “paragraph 12.5” (originally located between paragraphs 12 and 13) clarified the specificities of the Southern providers, which, as developing countries, faced poverty and other development challenges at home (which entitled them to ODA), and which should commit as providers of cooperation only on the basis of CBDR. The paragraph also mentioned the “legitimacy gap” of the Paris Declaration and the efforts that had been made to address it. In an accompanying text, Mexico explained the rationale behind its proposal:

The concept (CBDR) is not meant to allow DAC donors to repudiate or dilute their responsibilities. It is neither meant to allow new large South-South providers to “do nothing”. On the contrary, it is meant as a way to incorporate us, the latter ones, into the agenda, at a realistic and appropriate level given our MIC [Middle Income Countries] conditions. (WP-EFF, 2011b)

As this passage suggests, Mexico considered that there were grounds for the misgivings of both China and the traditional donors towards each other. It was beginning to become clear that much more was at stake than simply bringing the Southern providers into the effectiveness agenda. Indeed, the very survival of the global development cooperation agenda was at play, for if either group became disillusioned with the perceived disengagement of the other, the entire agenda could begin to wither away.

Paragraph 12.5 sparked controversy at the negotiation table. It was not welcomed by a number of traditional donors. The CBDR concept in particular came under attack. Although the United States initially supported it, it later backtracked because it considered the term to have been contaminated by its (negative) use in the climate change negotiations, where it had been coined and where it had become a synonym for “no responsibilities”. China, indeed, was using it in this sense in the Busan negotiations. Other countries, such as Japan, objected to CBDR on more fundamental grounds. If Mexico’s amendments to the third outcome document had little support, however, China’s more radical ones were even less successful. Exasperated by the resistance to its proposals, China left the negotiations and failed to appear at the third and last Sherpa meeting in Paris. Without China, article 12.5 was all the more vulnerable, and the traditional donors took the opportunity to water it down. In the fourth draft, the Southern providers were expected to join the agenda not on the basis of CBDR (a concept that disappeared altogether from the document) but rather by accepting the “common goals and the aspiration in support of these over the long term” – that is, on the same basis as all other cooperation providers (WP-EFF, 2011c).<sup>23</sup>

As the Sherpas had been unable to reach an agreement about the document in Paris, the negotiations continued in Busan. China, India and Brazil attended the HLM, though they stated publicly that, as matters stood, they were not willing to sign on. There were still other matters to resolve, but bringing the big Southern players under the effectiveness tent was clearly the most important issue. The very success of the conference seemed to depend on it. The outcome was to a large extent forged through last-minute diplomacy. The first breakthrough was made by Brazil and Mexico. Brazil was willing to join the consensus if article 12.5 (which became article 14 in the final version) was restored to its original form.

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23 Paragraph 12.5 had been watered down in other ways, too. Ten days later, after hard negotiations, matters had improved a bit but not much. In the fifth draft, the article, now numbered 13, specified that the Southern providers would assume “common goals, shared principles and differentiated actions” (WP-EFF, 2011d).

The Sherpas agreed, but, as a compromise, CBDR was referred to as “differential commitments”.<sup>24</sup> The final step was taken when – through the intervention of Enna Park and the UK development minister, Andrew Mitchell, who happened to be in Beijing at the time – China and India agreed to join, provided that a completely new paragraph be added at the beginning of the document. This text, which became “article 2”, emphasised the differences between NSC and SSC, but it also recognised “common goals” and “shared principles”. It also underlined that “Southern partners” were meant to take on Busan commitments as “a reference” and on a “voluntary basis”.<sup>25</sup> There was thus a tension between article 14, which called for differential commitments, and article 2, which referred to “voluntary commitments”. Strictly speaking, since the entire effectiveness agenda was “voluntary” (lacking enforcement mechanisms of any kind), article 2 wanted Southern providers’ commitments to be “voluntary-voluntary”, as some critical observers put it at the time (Kindornay & Samy, 2012). Although in this context the concept voluntary conveyed a conservative and somewhat negative message, consensus was reached at the last minute. The emerging powers joined the GPEDC, and the Busan HLM ended on an optimistic note.<sup>26</sup>

A number of issues, however, remained unresolved. To deal with these, a Post-Busan Interim Group (PBIG) was created, which consisted primarily of the Sherpa group. In a strategic move, China, India and Brazil were invited to join the PBIG, which they agreed to do, but only as “observers”.<sup>27</sup> This increased the number of “donor/recipient” delegates to

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24 I will take advantage here to correct the record on this issue. In their accounts of the HLM in Busan, both Talaat Abdel-Malek (2015, pp. 184-85) and Brian Atwood (2012, p. 22) note correctly that Brazil’s endorsement of the Busan outcome document was a turning point in the battle to bring the emerging powers on board. They both record that at one point in the negotiations, a delegate from Brazil, Marcio Correa, appeared in the Sherpa room to confirm Brazil’s endorsement. At the time, the Sherpa group was in disarray, and the sudden entrance of Correa made a lasting impression on those present. Their accounts are not entirely accurate though. Abdel-Malek reports that Correa said that Brazil would join if the text proposed by India and China was adopted. Atwood recalls correctly that the China-India proposal came only later but claims that Correa said that Brazil was ready to accept the last version of the text. The important nuance Atwood misses is that such a version had been shaped by Brazil itself, as it joined only after article 14 was returned to its original wording and meaning. The micro-history of the incident is the following. On the evening before the meeting, Correa asked Mexico, as representing the middle-income countries in the Sherpa group, to introduce a paragraph that Brazil was proposing. The paragraph sounded like the original paragraph 12.5 that Mexico had tabled: both rested on CBDR. We suggested that if it was too late to introduce a completely new paragraph in the text, it might still be possible to return to the original 12.5 text, if Brazil supported it. Brazil accepted the deal. The next day, the battered Sherpa group, badly in need of a boost in morale, accepted the Mexico-Brazil proposal, though CBDR was translated as “differential commitments”. Then, at the request of the Mexican delegation, Correa came into the negotiating room and confirmed Brazil’s position. What is important here is that Brazil accepted the text before China and India brought in their article 2. As Atwood suggests, Brazil basically broke ranks with China and India and, in so doing, increased the pressure on China and India to sign on in the end.

25 Article 2 included contradictory wording: it mentioned “common goals and shared principles” but then stated that “the principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis”.

26 Among the many authors that at the time considered the deal on differential commitments as the key to the success of Busan, see Kharas (2011), Kim and Lee (2013), and Mawdsley, Savage and Kim (2014).

27 This did not mean, as it has sometimes been suggested, that they joined the GPEDC as “observers” – a category that did not exist in the GPEDC governance. Indeed, being observers in the PBIG and later on at the Steering Committee, they were participating more actively in the GPEDC than dozens of other members that had no access to the GPEDC governing bodies but were, of course, full members of the Partnership.

the PBIG from two (Mexico and South Africa) to five. The PBIG had to tackle, among other issues, the exact terms on which the Southern providers were expected to join the GPEDC. As we have observed, articles 2 and 14 sent different messages. Nevertheless, they coincided on “common goals” (the MDGs) and “shared principles” (with some ambiguity) and, most importantly, they were both against assessing the Southern providers by the standards and norms and commitments used to evaluate the traditional donors. To address this issue clearly, South Korea – with the support of the DAC chair and in consultation with Mexico and Brazil – invited the PBIG to adopt the following text:

Given the different nature of South-South cooperation [...] these new providers of development cooperation are not expected to participate in the global system proposed in this initial Partnership arrangement. Their future participation in aspects of the global system is a decision left to evolving and sovereign processes, and this will in no way inhibit their full participation in the Partnership as South-South partners.<sup>28</sup>

The “South Korean deal” exempted the Southern providers from participating in the Busan commitments, but only temporarily. These actors were expected to define their participation at an unspecified later date. Throughout the negotiations, the three big Southern providers – Brazil, China and India – had given signals that they were ready to take this step.<sup>29</sup> The Southern providers were expected to arrive at their own “effectiveness agenda”, which they would then try to reconcile with the GPEDC framework under the principle of differential commitments. In its third and last meeting, the PBIG adopted the South Korean deal of a special framework for Southern providers, sorted out pending issues on governance and the monitoring framework (for traditional donors and recipients) among other points, and then closed shop. On 28-29 June 2012, the WP-EFF met for the last time in a large plenary at the UNESCO facilities in Paris (this time they carefully avoided the OECD), formally adopted the PBIG recommendations, disbanded and gave birth to the GPEDC. It was now widely hoped that the development agenda had entered a completely new era.

### *The GPEDC and the emerging donors: diverging once again*

Busan aspired to give birth to a true Global Partnership for Effective Development Cooperation, one that would include all relevant actors, and especially the three big emerging powers that the DAC had been courting with different strategies for more than seven years. The Paris Declaration had ignored the Southern providers, but after years of trial and error, Busan seemed to have found a space for them in the effectiveness agenda. Indeed, as Atwood put it in an upbeat speech in early 2012, the GPEDC was expected to

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28 The text was preceded by a long preamble in a document with the title: “Participation of South-South Cooperation Providers in the Busan Global Monitoring Framework”. The preamble argued that the message of “paragraphs 2 and 14” which “are an expression of today’s changing realities of the global development landscape” and “should be the starting point of any deliberations in regard to the participation of South-South partners in the post-Busan system” (WP-EFF, 2012a, pp. 20-21). The entire text of the “Korean Deal” is reproduced in Annex 2 at the end of this discussion paper.

29 Brazil participated in generating the South Korean deal, while India endorsed it and, according to the minutes of the third PBIG meeting, did “not rule out the possibility of participating in monitoring efforts at a later stage” (WP-EFF, 2012b, p. 6). While at some point in the Busan negotiating process, China proposed a text that encouraged SSC players “to further increase their efforts on the transparency, predictability etc. based on their specific country’s situations”. For some reason, this quite positive text was not taken on board by the Secretariat.

“facilitate complementarity among the efforts of South-South and North-South cooperation partners and [...] encourage all providers to fulfil their respective commitments to partner countries”. Nevertheless, before they could fulfil “their commitments”, as Atwood envisaged, the Southern providers first had to assume them. The South Korean deal did not specify “where” or “how” these players would do so – or how they, the Southern providers, would begin to develop their own narrative inserted in their own SSC tradition.<sup>30</sup> It clearly indicated that the GPEDC was expected to incentivise and facilitate such a process. Distressingly, however, as soon as it was open for business, the Steering Committee, which, in between HLMs, *became the Partnership*, left out of its work programme this crucial part of the GPEDC project.

A number of more or less independent factors led to this troubling outcome.

The first factor was, admittedly, the weak engagement of the BIC in the GPEDC project. As we saw, they joined the GPEDC in the last moment, and with a certain amount of arm-twisting. Then they joined the PBIG, but only as “observers”. When the PBIG was disbanded, they were invited to form part of the governance structure of the GPEDC, which reserved two seats for “donor/recipient” countries: the first as one of three ministerial co-chairs of the GPEDC, and the second as a member of the GPEDC Steering Committee. Again, all three refused to step in. Although they kept their “observer status” at the Steering Committee, they engaged less and less. The BIC, thus, failed to push for the implementation of the South Korean accord, and other forces did not pick up the baton.

As none of the BIC were willing to join the governance structures of the GPEDC, Indonesia was given the position as co-chair, and Peru the extra seat on the Steering Committee. As a G20 member and a regional power with a large population, Indonesia was, in theory, a decent candidate to lead the donor/recipient constituency of the GPEDC, although it was a lower-middle-income country. Despite its efforts to strengthen its profile as a Southern provider (by creating a proper institutional framework, diversifying its cooperation modalities, etc.), however, its profile was still that of a traditional SSC partner. Not surprisingly, therefore, Indonesia ignored the Busan differential commitments agenda and focussed instead on using the GPEDC as a platform to promote knowledge-sharing. It reverted to the themes and approaches of the TT-SSC, in which it had played a prominent role. In this sense, Indonesia was following the directives of articles 30 and 31 of the Busan outcome document, which dealt with traditional SSC themes, but at the same time it was ignoring article 14.<sup>31</sup> Peru – a country even more entrenched in the practices and narrative of traditional SSC – was not inclined to counterbalance Indonesia’s approach. The ambiguity between “little SSC” and “big SSC”, which had hindered the WP-EFF’s efforts to engage the Southern providers, was once again muddying the waters. The second factor was thus the failure to

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30 Independently of the GPEDC project but influenced by it, the Southern providers themselves soon felt the need to bring their own concepts and narrative in line with the times. Forces in the South have, thus, launched a number of more or less interlinked initiatives such as the “Delhi process”, the UN Department of Economic and Social Affairs-promoted “Core Group of SSC partners” and the Network of Southern Think Tanks to advance a new SSC narrative. So far, they have given quite limited results. For a description of each of these processes, see Bracho (2015, pp. 35-38). For a recent assessment of the piecemeal advance of this important agenda, see Fues (2016).

31 Indeed, according to Talaat Abdel-Malek, from a Busan perspective, Indonesia would really fit only on the margins as a co-chair for emerging economies (Abdel-Malek, 2015, p. 318).



come up with a governing team with a “recipient/donor” constituency that would take on board the differential commitments agenda.

A third and very important factor was a rapid loss of institutional memory. By a particular streak of bad luck, practically all the high-level personalities that had championed the “third way” left the scene too early. The DAC chair, Brian Atwood, and Enna Park, the South Korean Sherpa, took other positions after the GPEDC was put in place. The Chinese and Brazilian high officials who had supported the Busan outcome document also changed posts, and their replacements were much less enthusiastic about the GPEDC.<sup>32</sup> Talaat Abdel-Malek, the chair of the WP-EFF, also left. Finally, Andrew Mitchell, the British development minister – who was a strong supporter of the effectiveness agenda, had prompted the Chinese in Beijing to join the GPEDC and who was chosen to co-chair the newly born Partnership on behalf of the donor constituency – was reshuffled to another job before he could even take up his role at the GPEDC.

Fourthly, the new governance structure of the GPEDC proved to be an obstacle to the third way. Busan sought to enhance the political attractiveness of the GPEDC and to overcome the excessive technicality of the WP-EFF. It was for this reason that the reins of the Partnership were given to three ministers – high-profile politicians – representing donor, recipient and donor/recipient countries. The flip-side of this arrangement, however, soon became clear, namely that the agenda could be easily diverted by the particular interests of the ministers who happened to be in charge. The new DCD/DAC-UNDP (Development Cooperation Directorate/Development Assistance Committee-United Nations Development Programme) joint Secretariat was responsible for keeping the institutional memory of the agenda alive, but it was in a difficult position to do so, given the prominence of the co-chairs. As it happens, when Andrew Mitchell left the scene, none of the ministers left in charge of the first round of the GPEDC saw the need to engage the Southern providers as a priority. The United Kingdom focussed on the “private sector”, Indonesia, as we have seen, privileged “knowledge-sharing” and Nigeria promoted “Domestic Resource Mobilisation”. Moreover, the new governance structure had no institutional space for discussing issues related to the Southern providers – or any other constituency for that matter. There was no attempt to replace the TT-SSC, which had been dissolved with some acrimony after Busan, over the tension between little and big SSC. Moreover, the 18-member Steering Committee, which had replaced the regular WP-EFF, was not a forum in which to discuss the issues of specific constituencies. Inadvertently, the new “lean” governing structure of the GPEDC had left a large hole.

Finally, the withering away of the Southern provider agenda of differential commitments was part and parcel of the gradual shift into the background of the whole “commitments agenda” in the workings of the GPEDC. As the “commitments” of all constituencies became less important, so did the differential commitments of the Southern providers (in the next section, I analyse in more detail the change in the GPEDC from an “action” to a “discursive” model). From this perspective, the neglect of the South Korean deal reflects the unexpected path followed by the GPEDC as a whole.

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32 Atwood mentions that the Chinese head of the Ministry of Commerce (MOFCOM), who agreed to endorse the Busan outcome document, left soon after the HLM finished (Atwood, 2012, p. 21). Meanwhile, Fernando Abreu, the diplomat who replaced Marco Farani at the head of the Brazilian Cooperation Agency, distanced himself more from the Busan agenda.

As a result of these factors, the Southern provider agenda did not advance at all between Busan and the eve of the first HLM. Expectations rose when Mexico, the host for this summit, stepped in as a fourth (unofficial) co-chair of the Partnership. In a first positive step, Mexico brought the topic of knowledge-sharing, highlighted by Indonesia, within the larger umbrella of SSC, and thus better aligned the agenda of the first GPEDC meeting with the interests and practices of the Southern providers. With no support from other quarters, however, Mexico did not openly try to revive the (politically risky) agenda of the Southern providers and their differential commitments. The new team in charge of AMEXCID was less convinced of the (global) advantages of this agenda and clung instead to a more nationally oriented and traditional SSC vision.<sup>33</sup>

In these dim circumstances, Mexico tried to encourage the participation of the BIC in the first HLM of the GPEDC by inviting them to submit proposals for the communiqué for the meeting. Unlike the Busan outcome document, this communiqué was drafted not through a proper negotiation among the actors involved but rather by a mediator, the seasoned Mexican diplomat Mauricio Escanero, who had played an important role in brokering the Monterrey Consensus on finance for development. As the South Korean deal had been ignored and the agenda had not advanced, the indirect negotiations between China and India, on the one hand, and most traditional donors, on the other, went back to square one: it was as if Busan had never happened. As a result, a rerun of the Busan discussions, with each side accusing the other of seeking to avoid “responsibilities”, seemed inevitable, but now with the aggravating circumstance that positions were even more polarised than before, and support for a “third option” – backed (in a partial way) only by Brazil – was much weaker.

In its position paper on the communiqué, China complained that the first draft was “unbalanced” because it both “overstressed the role of South-South Cooperation” and watered down the role of NSC, which “is still the mainstream of international development cooperation”. To arrive at a more balanced text, China argued, “North-South Cooperation should be placed in a more prominent position, and the fulfilment of developed countries’ ODA commitments should be added in the text”. In an effort to implement these comments, the Mexican facilitator proposed some changes. The reactions of the United States and other donors to his relatively mild amendments are telling. The United States was not only against a reference to the 0.7 per cent commitment, requested by China and recipient countries, but it also opposed the inclusion of a conciliatory phrase such as “ODA targets”. Donors also complained about phrases that only a few years before would have been accepted simply as statements of fact: for example, considering “ODA as the main source of international development assistance” or claiming that “North-South cooperation plays a distinctive role in the fulfilment of the commitments undertaken at the Busan High Level Forum on Aid Effectiveness in 2011”. The donors’ complaints were the mirror image of those of China: in their view, the communiqué was overplaying the role of NSC and underplaying that of SSC.

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33 As a G20 and OECD member and a DAC observer, and with a new cooperation law, a new cooperation agency, and a foreign policy driven by a commitment to assume “global responsibilities”, Mexico was well positioned to mediate the creation of a space for the Southern providers in the effectiveness agenda. Nevertheless, Mexico’s cooperation programme was modest and traditional, embedded in the Latin American tradition of horizontal technical cooperation. As we have seen, Mexico contributed to the effort to bring the Southern providers into the Busan tent, but now under a new administration in AMEXCID, it was more hesitant to play an active mediating role.

There was, however, one point on which they agreed: a more radical opposition to the “differentiated commitments” agenda, which both considered to favour the other side. In Busan, most donors had accepted this notion reluctantly, and only at the very last moment. Now, they were eager to get rid of it altogether, which, we shall see, they would ultimately do. On the emerging powers’ side, China and India were even more opposed than they had been in Busan to any suggestion of commitments from the Southern providers. In this situation, the sole major defender of the differentiated commitments agenda turned out to be Brazil, later supported by Argentina. The other champions of the concept in Busan, including Mexico and Korea, remained on the sidelines this time around. Brazil first tried to revert to the original CBDR concept in the first paragraph of the communiqué, but traditional donors objected. Brazil then made an effort to put a more positive spin on “differentiation”, proposing a text that committed SSC players to “improving the availability of information on the scope, results and impacts of their cooperation actions”. This was the first time that a major Southern provider was proposing to assume a concrete commitment in the effectiveness agenda. In keeping with its position and sensing the symbolic relevance of the text, however, China blocked Brazil’s proposal. As in Busan, these two BRICS (Brazil, Russia, India, China, South Africa) players were following different paths.<sup>34</sup>

As the HLM in Mexico of 15-16 April 2014 approached, the battle over the communiqué continued. Positions were polarised but there was hope that they would be ironed out in the end, as had happened in Busan. In its original position paper, China had started on a positive note, stating that it attached “great importance to the forthcoming First High Level Meeting of the GPEDC”. At a DAC Senior Level Meeting on 3 March, six weeks before the HLM, China stated that it fully supported the preparatory work of the Mexican meeting and was looking forward to it, though it also warned that the communiqué needed better wording regarding the differences between North-South and South-South cooperation.<sup>35</sup> Three weeks later, on 24-25 March, UNDP China and CAITEC, a Chinese think tank linked to MOFCOM (the Chinese Foreign trade agency, with a strong say on foreign aid policy), organised a “preparatory event for South-South Development Cooperation Providers ahead of the First High-Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC)”, a further sign of interest and of a willingness to tackle the forgotten agenda of the Southern providers. This was the type of event that the Steering Committee of the GPEDC should have organised from the very outset to further the Southern providers’ agenda, but did not. This meeting, however, came too late, and the Chinese government engaged in it only erratically, which suggested that there were internal divisions as to its value.<sup>36</sup>

In any case, the Beijing meeting did not help to ease the path of the communiqué. Positions remained as polarised as ever. The fourth draft was distributed on 9 April, but nobody

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34 As China failed to endorse the Mexican communiqué, Brazil’s text remained in the document.

35 In response to China’s positive intervention, the DAC chair, Erik Solheim, replied that DAC donors would not use Southern providers’ participation in the development cooperation agenda as an excuse to lower their own commitments. For the concept note of the GPEDC HLM discussed at the DAC Senior Level Meeting, see DCD-DAC (2014).

36 The meeting, most certainly a UNDP-China-driven initiative, was hastily organised, and crucial SSC countries failed to attend. Discussions were nonetheless quite interesting. See the facilitator’s summary in Davies (2014).

seemed satisfied. On 11 April, four days before the opening of the HLM, Brazil, India and China made it known that they would not endorse the communiqué in its “present form”. At the same time, a number of large DAC donors were also deeply dissatisfied, and complaints came from other quarters as well.<sup>37</sup> Disregarding the Mexican facilitator’s attempts at conciliation, both groups of providers continued to consider the communiqué to be biased towards the other side. It was thought to be too favourable either to the North or to the South. In this impossible situation, any concession to one side would simply move the other further away from consensus.<sup>38</sup>

While the Southern providers and the traditional donors continued to fight over the wording of the communiqué, the results of the first monitoring exercise of the GPEDC had been in the public domain for some time. Eleven recipient countries had reported on the volumes and quality of the aid flows they had received from China: five on flows from India, and three on flows from Turkey. The GPEDC Secretariat had published this data as it had done for every other “provider” of development cooperation.<sup>39</sup> The South Korean deal on differential commitments had not contemplated this eventuality and had not explicitly discouraged publishing such data. Without political guidance on this largely forgotten issue, the Secretariat was not in a position to suppress this “demand-driven information” or present it in any special way. It was just doing its “technical job”, though at the same time, it was going against the spirit of the South Korean deal, which now lay in tatters.<sup>40</sup> As the issue had been quietly expelled from the GPEDC agenda, however, nobody seemed (at least publicly) to care or notice. The Steering Committee, which approved the monitoring report in its fifth and last meeting before the HLM, simply ignored it (GPEDC, 2014b). In sum, although the emerging powers insisted on introducing “divisive” wording into the communiqué, they appeared practically on the same footing as traditional donors in the narrative of the monitoring framework, as well as in five of its seven “provider” tables. They were fighting hard to be recognised as substantially “different”, but in practice were being treated like any other donor, because, understandably, that is how recipient countries increasingly saw them.

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37 The Civil Society Partnership for Development Effectiveness (CPDE) complained that the fourth draft had moved backwards with respect to the second (and even Busan itself) on the issues of “country democratic ownership”, “human rights” and “gender equality and accountability”. It also objected to the “lack of references to transparency and accountability on South-South cooperation”. In a similar vein, Oxfam concluded that “the communiqué, on top of exemptions for some, dilutes commitments and accountability for everyone”. The facilitator had introduced changes to accommodate complaints of the Southern providers and the traditional donors, but these were often not welcomed by other constituencies.

38 As the date for the HLM approached, and China and India continued to complain about the “Northern bias” of the communiqué, a revolt was brewing in the DAC about the opposite claim. Germany stated that the “commitments and agreements” made in Busan and Mexico should also be fulfilled by “emerging or South-South partners”. Meanwhile, France worried that too many concessions to the emerging powers would create a bad precedent for the post-2015 negotiations. The UK donor co-chair did its best to put down this revolt, which was putting the consensus in jeopardy.

39 See GPEDC (2014a). See also UNDP South-South Cooperation Programme (2015).

40 The Secretariat noticed the issue only in passing in a dry footnote of the final report. After recognising that Southern providers were not expected to participate in the monitoring framework, it added: “nevertheless, contributions were received from a number of South-South partners, and this report benefits from their reporting at the country level” (GPEDC, 2014a, p. 33).

It is not clear to what extent the traditional donors and the Southern providers understood at the time what this questionable monitoring of the Southern providers' activities meant to the communiqué or to the future of the GPEDC. It would probably be naïve to suppose that they were unaware of the issue, especially in the donors' case. There is little doubt that a number of traditional donors must have been delighted to see that the "recipient countries" were deciding the debate in their favour. Meanwhile, China and India were in a difficult position. On the one hand, they could hardly complain about the outcome, as the data had most certainly been provided in "good faith" by recipient countries. On the other, they must have felt mistreated: the agreements and communiqués of the GPEDC seemed of little value. This may have seemed a good reason to leave the GPEDC altogether, as they soon did.

As the deadlock on the communiqué continued, the Mexican government saw no other option but to announce a last round of open negotiations "with relevant parties" in Mexico City. The Busan drama was set to repeat itself. A few days before the meeting, however, Mexico received a last-minute request from China, which not only continued to deplore the "Northern bias", but now also opposed the last paragraph of the communiqué, which instructed the GPEDC Steering Committee to communicate the results of the Mexican meeting to "all convergent intergovernmental and multi-stakeholder processes", such as the Development Cooperation Forum and the Post-2015 Development Agenda. This relatively anodyne paragraph had appeared in the zero-draft version of the document dated 9 February and had survived with very minor changes in three other versions. Now clearly using it as a pretext, however, China wanted Mexico to scrap it altogether and to close the communiqué before the opening of the HLM as a condition to attend the meeting. As further negotiation in Mexico City was already on the agenda, this demand was impossible to fulfil. Shortly after, India made a similar request.<sup>41</sup> In the end, Brazil was the only one of the BIC that attended the first meeting of the GPEDC, and it participated only as an "observer". The Busan consensus had been broken.

As announced, negotiations continued at the HLM *in situ*. Argentina and Brazil (in spite of its observer status) adopted the banner of the Southern providers and focussed on introducing the CBDR principle into the communiqué. The traditional donors, however, were adamantly against it and insisted on the surrogate wording agreed upon in Busan: differential commitments, a concept that still figured (though only once) in the first paragraph of the fourth draft of the communiqué. Then matters took a strange turn. The Latin Americans preferred no mention at all of the Busan surrogate. Sensing that CBDR, which was then openly supported by the UN Secretariat, would prevail in the post-2015 negotiations, they considered it better to veto immediately the Busan wording that might eventually replace it. Of course, the traditional donors were only too happy to agree to this, as most of them never liked the idea of differentiation in the first place. In the end, as we shall see in the fourth section, the Latin American strategy was misguided, since under

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41 India stated that it was not willing to negotiate further. It would not endorse the communiqué unless the GPEDC complied with all its demands, which included underscoring the voluntary character (for SSC providers) of a number of commitments and the omission of wording introduced by the CSOs. The evidence suggests that India and China had already decided not to endorse the communiqué or go to Mexico and were using demands that could not be satisfied as a pretext for not attending. On 17 April, the Indian newspaper *Economic Times* published a note titled, "India, China boycott high-level meeting on global partnership", clearly informed by internal sources that attributed India's boycott to "concerns" regarding South-South cooperation, unfavourable links with UN processes, and the mixing of human rights and development.

strong donor pressure, the UN Secretariat soon realised that CBDR was doomed and quietly withdrew its support.

China and India participated for the last time in the GPEDC during the negotiations about the Mexican communiqué. Brazil's final intervention was as an "observer" at the Mexican HLM meeting. After that, none of the three engaged further. The new chairs of the Global Partnership – the Netherlands, Mexico and Malawi – were, in principle, responsible for bringing them back into the fold. Mexico, as the representative of the Southern providers, should have taken the lead in doing so, but after the frustrating experience of the communiqué, its team made no further efforts. It was also reluctant to engage Brazil. The task of enticing the Asian giants fell instead to the Netherlands, which attempted to engage China at a series of bilateral meetings, including at a ministerial-level gathering – to no avail. The (now standard) response from the Chinese was that the GPEDC was not a UN process and, therefore, had no legitimacy in the development cooperation agenda. India, which the Netherlands also approached, though at a lower level, would soon begin to echo this refrain. When Kenya agreed to host the second HLM, the co-chairs of the GPEDC hoped that the Southern providers might be encouraged to participate. It would be harder for them to refuse an African country that received a considerable amount of aid from China than a traditional donor such as the Netherlands, but the BIC participated in neither the drafting of the communiqué nor in the meeting itself.

To add insult to injury, South Africa, another key Southern provider, also failed to appear in Nairobi. To be shunned by the major African Southern provider in an HLM held in Africa was an unexpected and significant blow for the GPEDC. The reasons for South Africa's absence are not obvious. Of all the Southern BRICS, South Africa is the closest to the OECD and participated both in the Sherpa group that drafted the Busan outcome document and in the PBIG. Although South Africa kept a low profile in the discussions on the Mexican communiqué, it did not join the boycott of the other BRICS, and it did attend the Mexican HLM. A standard bureaucratic response has been given: the relevant functionaries failed to find the time and/or resources to attend. This may simply indicate a lack of interest, but it might also have been a gesture of solidarity with the other BRICS; the former being probably a worse sign for the GPEDC than the latter.

Without the participation of the BIC and South Africa, the Nairobi outcome document (2016) diverged markedly from both that of Busan and the Mexican communiqué. As the last-minute negotiations in Mexico City had focussed primarily on CBDR and issues raised by other constituencies, there was little time to revise the rest of the document. As a result, many controversial phrases introduced by China and/or India remained in the communiqué. Although the emerging powers had shunned HLM-1 and failed to endorse its outcome document, paradoxically, they left their fingerprints on many paragraphs. This would not happen the next time around. The Nairobi communiqué of the second GPEDC HLM meeting was clearly driven by the dominant donor vision. The "Southern provider" disappeared altogether and was now subsumed, together with traditional donors, into a new, politically correct, but confusing concept of "partner countries providing support". Again, as in Mexico, there was no mention of "differentiation". Correspondingly, the concept of SSC was implicitly limited to "little SSC": that is, the typical small developing country engaging in horizontal cooperation with its peers. As if to underscore this new vision, Bangladesh – a country that had reached low-middle-income status only in 2014 and had spoken for the recipient countries both in the Busan Sherpa group and the PBIG – was chosen

in Nairobi as the co-chair representing the “donor/recipient” category in the third GPEDC governing team. True, like most other developing countries, Bangladesh has an SSC programme to share its considerable development achievements, though it hardly classifies as a Southern provider.<sup>42</sup> The chair that was intended in Busan for a Southern provider, thus, had been transformed in Nairobi into another position for developing countries.

Ten years after Richard Manning had published his seminal article on “non-DAC donors”, the agenda seemed to have come full circle, reverting to where it had started in 2006. In Nairobi, the Southern providers lost their “specificity” and were treated as any other “partner country providing support”. They had lost their right to a “specific chair” – and this at a time when another group of non-DAC providers, the Arab donors, was being recognised as such and given a special place on the GPEDC Steering Committee. The “third way” that had narrowly triumphed in Busan seemed in Nairobi utterly defeated. Moreover, a worse scenario began to materialise. The lack of cooperation between traditional and emerging donors was helping to drive the entire development cooperation agenda towards a future of diluted standards, practices, commitments and responsibilities for all official donors, both Northern and Southern.<sup>43</sup> The GPEDC venture was not keeping to its Busan promise.

### 3 Analysis: the lessons of history

From the history of the relations between the GPEDC and the emerging powers, we can draw the following conclusions.

First, it is important to note that the BIC did participate in the GPEDC. They engaged in the discussions from the negotiation of the Busan outcome document to that of the Mexican communiqué. In my view, it is important to emphasise their initial engagement in the agenda, as it has been denied in other accounts. There is a difference between attempting to bring the emerging powers back under the GPEDC tent and attempting to engage them for the first time.

Second, the decision of the emerging powers to engage and then to withdraw was not primarily related to the legitimacy of the forum, that is, the fact that it is not a UN process and the perception that it is OECD-driven. If the forum had been a major issue, they would never have engaged in the first place, for the GPEDC’s arrangement with the OECD and UNDP has not changed since its origins. Moreover, the emerging powers participate in a large number of OECD-driven initiatives: from tax to governance issues. Of course, the “legitimacy”

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42 Bangladesh had been one of the most active and innovative participants in the effectiveness agenda from the beginning, and it undoubtedly deserved a place in the GPEDC governing body. However, the decision to offer it *that seat* reflects how much the Southern provider agenda has disappeared from the GPEDC. A decision that would have been unthinkable in Busan was approved without much problem in Nairobi. At Busan, many considered that such a chair was meant for “emerging donors” – not even Southern providers; see Kim and Lee (2013, p. 795).

43 Oxfam puts it this way: “Donor countries who once blazed the trail for the kind of aid that can have a lasting impact are reversing course and are increasingly using it as a tool for their self-interest: to secure business for their own firms, to boost trade agreements, to bribe poor countries to prevent refugees from coming to their shores, and even to cover domestic costs of supporting the refugees who have arrived seeking shelter and safety – funds which are needed, but should not be taken from aid budgets” (Oxfam, 2016).

argument does have some weight, but as the historical record shows, its importance has been exaggerated: the emerging powers have used it as a pretext to avoid discussing issues of substance.

Third, the main factor in the decision to withdraw was not the “form” (or forum) but the “content”, the issues at stake. As we have seen, the emerging powers fought over content and proposed a significant number of changes and amendments to the Busan outcome document and the Mexican communiqué. As they lost and felt mistreated in this “content battle”, they preferred to step down.<sup>44</sup>

The BIC focussed on three issues of “content”. I begin with the one that seemed the most important in the drafting of the Mexico communiqué: concern about how the GPEDC agreements might impact UN processes. As the Southern providers began to feel uncomfortable with the evolution of the GPEDC and its documents, they attempted to delink them from the UN. At the discussions of the Busan outcome document, for example, China sought to erase a paragraph related to “climate change finance”. It argued, not unreasonably, that the issue should be addressed in UN fora, but China signed onto Busan, despite this paragraph. Later, China refused to attend the Mexican meeting, *ostensibly* because of a paragraph that linked the GPEDC with the upcoming post-2015 negotiations at the UN. However, as we have seen, this last-minute objection seems rather to be a pretext or secondary motive. The main reason to shun the GPEDC probably lies elsewhere.

The second issue, which particularly bothered China and India, was the GPEDC’s “Western DNA” and the broader political significance of the Partnership. Was the GPEDC going beyond the realm of development cooperation and becoming yet *another* means of disseminating the liberal post-war order? The confusing use of the concepts of “development cooperation effectiveness” and “development effectiveness” as synonyms (an issue to which we will return) suggested as much.<sup>45</sup> A large part of the problem was the dynamic between the emerging powers and the non-state actors. The emerging powers had been accustomed to holding multi-stakeholder discussions and dealing with the “Western agenda” of democracy and human rights in the UN and other multilateral fora. The outcome document of the UN Nairobi SSC HLM held in Nairobi in 2009 (highly revered by the BIC) recognises that SSC “embraces a multi-stakeholder approach, including non-governmental organizations, the private sector, civil society, academia and other actors” (United Nations, 2009). The problem, therefore, was not the multi-stakeholder nature of the GPEDC per se. It was rather the way it tended to play out in practice. Had these “stakeholders” focussed at the GPEDC on “development cooperation”, the emerging powers might have been able to live with them. As I show in the next section, however, these players used the GPEDC primarily as a forum to promote their own demands and interests, which only reinforced the perception of the “Western DNA” of the Partnership. Both China and India proposed amendments in the Busan and Mexican documents that were intended to water down this

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44 As the reform agendas at the IMF, World Bank and other bodies meant to open proper spaces for the emerging powers also failed to advance at the time, such sentiment might have been coupled with “mistreatment” in other multilaterals.

45 Though the influence of South Korea in the Busan outcome document and its insistence on economic growth (rather than alleviating poverty or ensuring rights) attenuated this impression (Mawdsley, Savage, & Kim, 2014, p. 30).



DNA, but they did not define their position on this issue clearly. In the end, however, it seems to have played only a secondary role in their decision to quit the GPEDC.

The third and most important concern of the BIC was the role they were expected to assume in the GPEDC. Were they to join as (emerging) donors with “donor responsibilities”, as Southern providers with tailor-made “differentiated commitments” (big SSC) or as South-South cooperation partners with no responsibilities and, at most, voluntary commitments (little SSC)? This issue was bound up in a sort of identity politics, as these countries identify with the South and its unique historical trajectory.<sup>46</sup> As we have seen, Busan engaged them ambiguously, both as South-South partners with “voluntary” commitments (article 2) and as Southern providers with differential commitments (article 14). The latter concept was crucial to seal the consensus and keep the agenda of commitments for all constituencies alive in the GPEDC. Nevertheless, as it was the first choice of neither the donors nor the emerging powers (except Brazil), it had from the outset feeble support and faced an uphill battle to establish itself and become operational. The concept, moreover, implied recognising a substantial difference between increasingly wealthy and capable emerging Southern powers and poorer and less capable nations – a distinction that was anathema to the G77 and UN’s vision of the South as a homogeneous group (Weinlich, 2013). It would introduce a wedge of some kind between “little” and “big” SSC.

Once the third way of the differential commitments option was ruled out, only two visions of the future of the development cooperation agenda remained:

- A donor-driven vision of a new “universal” agenda of “development partners” that would transcend the post-war paradigm of a North-South divide with its clear distinctions between categories of countries and its rigid responsibilities/rights framework. This vision draws on SSC language and envisages fusing together emerging powers and traditional donors as “development partners providing support” (the wording of the Nairobi outcome document) according to their own capacities and on a voluntary basis.
- A vision that strived to keep basically intact the old post-war paradigm with its clear division between North and South, with defined *responsibilities* for the North (0.7 per cent of gross domestic product (GDP) dedicated to aid as well as adherence to the Paris Declaration and AAA commitments on aid quality) and “voluntary” actions for the South within the SSC framework.

The donor-driven vision had no problems in recognising that cooperation between developing countries had its own principles, history and language, all captured in the traditional narrative of SSC, though this in some ways conflicted with its idea of the end of the North-South divide. Indeed, the donors were happy to include the SSC narrative *in toto* in the GPEDC documents. Their implicit but strong point, however, was that whatever the emerging powers said about their own identities, the traditional donors refused to recognise them as typical SSC players (i.e. little SSC) but rather considered them as “providers of development cooperation” (and later in Nairobi “development partners providing support”). That is, the emerging powers were seen as belonging to the same category that they (the

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46 For a solid and florid account of the Busan HLF as a battle of identities in which North and South took centre stage, see Eyben and Savage (2013). The authors, however, fail to make the crucial link between identities and responsibilities. That is probably why they did not notice the concept of “differentiated commitments”, which linked identity and responsibility in a burden-sharing game.

donors) had chosen for themselves. This became quite clear when, in the first monitoring report of the GPEDC, a number of emerging powers were placed on the same footing as all other donors. Moreover, in this confusing battle of identities, the traditional donors were increasingly eager to enjoy the same privileges that the emerging powers had been claiming for themselves: to provide “cooperation” (not aid) on a voluntary basis and to assume increasingly limited responsibilities. In Busan the concept of “voluntary” actions – introduced at the last minute by China and India in article 2 – had been received with dismay as “watering down” the whole outcome document. Only two years later, however, “voluntary” had become a positive word, and even the new rule and standard for the future. Indeed, the Mexican HLM registered no firm new commitments but rather a plethora of “voluntary commitments”, which were added as an annex to the communiqué.<sup>47</sup> In this context, as our historical account suggests, the emerging powers abandoned the GPEDC, as they finally realised that they would not fit into it on their own terms.

### *Why did cooperation within the GPEDC break down?*

I now address the issue of the breakdown of the Busan consensus. Why did it happen? Why did cooperation within the GPEDC fail, and why did the emerging powers leave? The GPEDC is a multi-stakeholder forum, but for the sake of this discussion, I will consider it as a space intended to bring together three types of countries (traditional donors, southern providers and recipient countries) to debate their roles in the “development cooperation agenda”. This tripartite conversation seemed at first quite likely to succeed. All three groups agreed on the objective of development cooperation: the realisation of the MDGs. Second, they all agreed on the importance of increasing the effectiveness of such cooperation. Third, there was also broad agreement about the principles that would enhance the effectiveness of the cooperation of both traditional donors and Southern providers. Indeed, the issue of “effectiveness” had, by then, made its way into SSC fora and was broadly treated in similar ways as in the WP-EFF. Thus, the 2009 “Nairobi outcome document”, which both China and India consider the standard reference for SSC, states:

We acknowledge the need to enhance the development effectiveness of South-South cooperation by continuing to increase its mutual accountability and transparency, as well as coordinating its activities with other development projects and programmes on the ground, in accordance with national plans and priorities. We also recognize that the impact of South-South cooperation should be assessed with a view to improving, as appropriate, its quality in a results-oriented manner. (United Nations, 2009, par. 18)

This language is clearly in tune with that of the Paris Declaration and the Busan outcome document. Fourth, development cooperation effectiveness was a voluntary “soft agenda” that advocated relatively undemanding policies with no enforcement mechanisms; it depended only on “peer pressure”. Notwithstanding these favourable preconditions, the differential commitments deal did not last: the consensus collapsed again on the eve of the Mexican HLM because of disagreements over the issues of identity and burden-sharing, which had already figured prominently at the Busan negotiations.

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47 As Abdel-Malek puts it: “The voluntary initiatives annex is a far cry from the firm commitments made in Busan and previous High Level Forums, notwithstanding that many such commitments have yet to be honoured, but they nonetheless sowed a willingness to ‘commit’, not merely to volunteer” (Abdel-Malek, 2015, p. 297).

To try to understand why international cooperation failed in this case, it might be helpful to consider the issue from the perspective of the mechanics of cooperation, outlined in an illuminating essay by Dirk Messner, Alejandro Guarín and Daniel Haun titled “The Behavioural Dimensions of International Cooperation” (Messner, Guarín, & Haun, 2013). Box 1 examines how a burden-sharing game with three players (DAC donors, Southern providers and recipients) would be likely to play out. The game starts with a “status quo” situation in which only DAC donors are bound by “effectiveness” commitments. The arrival of the Southern providers represents an “external shock”, which activates a burden-sharing game. Four outcomes are considered: a) one in which the status quo prevails; b) another in which the Southern providers join with full equal commitments; c) a third in which the Southern providers join with differentiated commitments and; d) a final scenario in which donors shy away from their commitments. The compliance with those commitments are considered to entail opportunity costs in terms of forgone “national benefits”.

The outcome of the exercise suggests that when national interests are placed first, the participation of the recipients – whose national interests (i.e. “better” aid) happen to coincide with the common good – tends to favour the differential commitments outcome, although it is not the first choice of any of the players. This outcome combines two factors – *reciprocity* and *fairness* – which, according to Messner et al., underpin all successful and stable cooperation agreements. On the one hand, it ensures that the DAC donors do not feel “cheated”, because the newcomers to the donor game *reciprocate* with an effort to comply with “some” rules. On the other, it ensures that Southern providers feel they are being treated *fairly* because these rules, which, though not of their own creation, are properly adapted to their own conditions.<sup>48</sup> Although the recipient countries would like for *all* donors to maintain the highest standards, they prefer the differential commitments outcome to the status quo or the non-commitments option. Nevertheless, to arrive at such a solution – the exercise suggests – they need to have a strong enough hand in the burden-sharing game to prevent the lowering of commitments across the board that an unchecked “race to the bottom” between donors and Southern providers is likely to unleash.

Unfortunately, recipient countries have been weak in bringing donors to account in the effectiveness agenda. Moreover, although developing countries might want high-quality development cooperation from both donors and Southern providers, they are at times wary of a rapprochement between these two groups. To a certain extent, healthy (and perhaps even unhealthy) competition is in their interest, because it allows them more choice and the possibility of playing one side against the other (Bracho & Grimm, 2016). In any case, the weak position of recipient countries in the GPEDC did not help the case for the differential commitments option and has led to a watering-down of commitments.

The process itself also contributed to this negative outcome. Messner et al. identify a number of factors necessary for successful cooperation, including good communication, trust and a “we identity”. Communication is crucial for creating the other two: “Without intense communication, misunderstandings, mistrust and stereotypes dominate” (Messner, Guarín,

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48 For this solution to work, the Southern providers would need to recognise that some “reciprocity” on their side was necessary. This was not obvious because, according to the North-South rules established by the DAC, they were not required to adopt any donor-type commitments. China and India generally insisted on these rules, though at times during the discussions, both agreed to consider some type of commitments in the future – thus implicitly recognising that the rules were no longer entirely applicable to their situation and that some “reciprocity” was due (see note 28).

& Haun, 2013, p. 29). In spite of all the talking, there was a real lack of communication between the GPEDC and the emerging powers from the outset. Trust and a “we identity” never developed, and, despite the favourable preconditions, the Busan consensus broke down. Tellingly, the most important areas of disagreement (identity and burden-sharing) were never discussed in a truly open way. The emerging powers *suspected* that the traditional donors wanted to shed their historical responsibilities, whereas the latter *suspected* the former of resorting to ideological strategies to avoid taking on any. The “suspicions” of both sets of actors were to a certain extent well-founded. They both had reasonable arguments, which might have been productively discussed in an open and frank negotiation, but these “suspicions” were never openly addressed, either in Busan or in Mexico. Moreover, although differential commitments had been key to sealing the Busan accord – as important Southern providers resented the notion of (non-voluntary) “commitments”, and many traditional donors rejected that of “differentiation” – the matter was simply avoided. It is common diplomatic practice to avoid divisive issues and concentrate on communalities, but in the GPEDC, this strategy proved counter-productive.

With hindsight, one may argue that, in its conversation with the emerging powers, the GPEDC not only needed more “intense communication”, as Messner et al. would have it, but also a more open and frank one. In the case of the negotiations for the HLM-1 communiqué, it did not help that negotiations took place through a facilitator rather than in face-to-face discussions. In the absence of candid and transparent communications, traditional positions, defined sometimes decades before, tended to impose themselves, transforming the conversation into a “dialogue of the deaf”. Too often, medium-level bureaucrats were averse to taking risks and preferred repeating old platitudes, making consensus difficult to achieve. According to Professor Xiaoyun Li, this seems to have happened in the case of China, where the GPEDC has not managed to attract political attention at a sufficiently high level (Li, 2017 p. 9).<sup>49</sup> This might have been the case for other countries as well. In the past few years, the post-war order has gone through tectonic changes. For international cooperation to survive – let alone flourish in this context – we need deep communication and trust to open the way for innovative solutions. The GPEDC, however, failed to develop these mechanisms.

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49 This is in contrast with climate change negotiations in Paris (2005), where, as we shall see in the next section, China, which was represented at the highest level, took an unconventional position “out of the box”.

**Box 1: The aid burden-sharing game**

Let us begin by imagining four possible options in a burden-sharing game with only two players, DAC donors (DDs) and South-South providers (SSPs), with opportunity costs considered as foregone “national benefits” due to implied compliance with the effectiveness agenda. These costs are arbitrarily set to five units for full commitments but only two for differentiated ones – the difference of three being the distance between the conditions (wealth per capita, historical responsibilities, capacities, etc.) of Northern donors and Southern providers.

- A) Status quo with only Northern responsibilities
- B) Equal responsibilities for DDs and SSPs
- C) Differentiated responsibilities for SSPs (with no change for DDs)
- D) No responsibilities

These outcomes are presented in Table 1:

	<b>DDs</b>	<b>SSPs</b>	<b>Total costs</b>
A	5	0	5
B	5	5	10
C	5	2	7
D	0	0	0

If both players make their national interests their first priority, and the common good (the benefits for recipient countries) their second priority, donors – finding the status quo unacceptable – would veto outcome A, whereas SSPs, refusing to be considered donors, would veto outcome B. Stressing reciprocity, the DDs will demand commitments also from SSPs – ideally at the same level. Stressing their particular circumstances, however, SSPs will rule out this outcome on the grounds of fairness and will refuse to be boxed in as donors. Only outcomes C and D would be viable, with D being more likely, as both players would prefer to sacrifice the common good in order to drive their national costs to 0.

Now let us bring the recipient countries (RCs) into the picture. Their preference will be determined by the sum of the benefits that they receive from the efforts of the donors and the SSPs. Table 2 represents the hierarchy of outcome preferences for each of the three players when they place their own interests first and the common good second. The numbers in parentheses represent the national costs for DDs and SSPs and benefits for RCs.

	<b>DDs</b>	<b>SSPs</b>	<b>RCs</b>
First choice	D (0)	A (0)	B (10)
Second choice	B (5)	D (0)	C (7)
Third choice	C (5)	C (2)	A (5)
Fourth choice	A (5)	B (5)	D (0)

As in the first scenario, donors would veto the status quo (A), and SSPs would reject equal responsibilities (B). Now, however, the recipient countries, whose national interests coincide with the common good, would rule out option D, as they have no reason to play if they have nothing to gain. With A, B and now also D excluded, outcome C – “differentiated responsibilities” – would be the only feasible option and the best for the common good, given the conditions of the game (i.e. the tendency to privilege national interests). Indeed, if the SSPs insist on paying less than the DDs, and the RCs have some clout (however small), cooperation will only happen under differential commitments. This option is not the first choice of any of the players, but it is the only one that works in a game with these rules.

Source: Author

## 4 Recommendations in historical context

The GPEDC aspires to be a global platform for “development effectiveness”, and the emerging powers are crucial to the development agenda. The GPEDC, thus, cannot work properly, and certainly cannot be truly global without them. What should it do to bring them back? Busan took place almost six years ago, and the emerging powers left the Partnership three years ago. Since then, the GPEDC, the development agenda and the international geopolitical context have changed enormously. To address the question of how to move forward in this new climate, I proceed in three steps. First, I briefly discuss the GPEDC that Busan sought to create and the GPEDC that we currently have. The strategy to re-engage the emerging powers depends to a large extent on the path the GPEDC itself wants to follow. Second, I explore the development agenda and the geopolitical environment that the GPEDC faces today. Third, I propose a number of recommendations for the GPEDC as it seeks to find a path forward and to re-engage the emerging powers.

### *What Busan sought and what it achieved*

From its origins in HLM-1 in Rome until Paris and Accra, the effectiveness agenda focussed on commitments and action. This was its comparative advantage in relation to more “talk shop”-type UN fora such as the “Development Cooperation Forum”, which also engaged with effectiveness issues but which lacked teeth. HLM-4 in Busan aimed at keeping this “action advantage”, but in contrast with earlier HLMs, it sought to be more legitimate (hence, the decision to team up with the UNDP) and inclusive. Moreover, it aspired to advance towards a “new paradigm” and to move from “aid effectiveness” to “development (cooperation) effectiveness”. Guided by this new paradigm, the GPEDC would be a more politically attractive forum, better equipped to tackle the new development challenges of the times, such as climate change, a new financial landscape for development and a more complex development architecture. In short, the GPEDC was expected to overhaul the agenda and its business model without losing its action-oriented nature (“its teeth”) in the process. A few weeks after Busan, Homi Kharas defined the challenge in this prescient way: “Busan may risk being forced to a lowest-common denominator without bite or focus by becoming more general and inclusive, but the alternative of staying with the previous aid effectiveness agenda would have been to doom it to insignificance” (Kharas, 2011, p. 3).

Almost six years later, the Busan project seems to be in trouble. The GPEDC has lost not only “bite and focus”, as Kharas feared, but also much of its inclusiveness and political clout, given the disengagement of the emerging powers. It has become a kind of Davos-type talk shop – mostly a “discursive agenda” and only secondarily one of action – and a crippled one at that, since crucial players do not participate in the conversation.

It is important to recognise that, from the outset, the GPEDC was not just about “development cooperation commitments”. In the spirit of the paradigm change it incarnated, it was also about knowledge-sharing and discussions on development that went beyond the technicalities of the traditional effectiveness agenda. According to its mandate, the GPEDC had four main tasks: two related to the “commitments agenda” and two of a more discursive nature. The latter were to “facilitate knowledge exchange and sharing of lessons learned” and to “maintain and strengthen political momentum for more effective development co-

operation”.<sup>50</sup> The point is not that the GPEDC should not have a “discursive content” but rather that this dimension has taken over, leaving the action agenda behind.

This presumably poor outcome is the result of a number of factors. The main driving force, as I have argued in previous sections, has been the lack of engagement of *all* development providers with the effectiveness commitment agenda. Traditional donors, for their own internal reasons, had begun to lose interest in it, even before Busan.<sup>51</sup> This tendency has been reinforced by a lack of an agreement on development commitments with the emerging powers at the GPEDC and elsewhere. The latter, not less disappointed with the evolution of the negotiation, have now left the GPEDC altogether. Finally, other new actors have done little to develop a proper narrative and put forward tailored “effective development commitments”.

The commitment agenda also became diluted as a result of the Busan “paradigm change” and implementation. The “new paradigm” had two consequences. First, it enlarged the tent: Busan definitively broke with the donor-recipient framework of the Paris Declaration, bringing in not only Southern providers, but also CSOs, parliaments, the private sector and regional governments. The government structure of the GPEDC, organised by constituencies, reflected this diversity. Second, the new paradigm expanded the agenda. There was ambiguity, however, as to what this meant.<sup>52</sup> Confusingly, Busan used two terms to capture this new paradigm: “effective development cooperation” (the official title of the GPEDC) and “development effectiveness”. The former kept the GPEDC business strictly within the boundaries of international development cooperation. In this tight interpretation of the paradigm change, the transition from aid to development meant that the GPEDC would deal not only with the effectiveness of ODA, but also with other cooperation flows managed by new actors.

In contrast, the Busan paradigm shift, understood as “development effectiveness”, was at the same time broader and more ambitious, but also more ambiguous. Worryingly for some, it could also be seen as a prescriptive concept, informed by Western ideas about how development should be achieved, even though in the last decades these ideas have had little success in practice.<sup>53</sup> “Effective development” goes “beyond aid and development cooperation” and impinges on domestic public policies. Thus, it suggests an open-ended agenda that could encompass (almost) anything; in fact, themes as diverse as domestic resource mobilisation, middle-income countries, youth and the private sector, to name just a few, figured prominently in the first two HLMs of the GPEDC. This thematic expansion, in itself, seemed to weaken the action agenda, as it was unlikely that a forum such as the GPEDC could generate deliverables for these topics.

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50 This was a proposed mandate for the GPEDC, which was discussed and approved at the meeting of the Working Party on Aid Effectiveness hosted at UNESCO headquarters on 28-29 June 2012.

51 The donors’ critiques of the effectiveness principles and commitments range from implying that they are too hard on donors to arguing that they are plainly wrong since – as they are too bureaucratic and top-down in direction – they miss the point completely. For this latter argument and the donors’ alternative approach of “doing development differently”, see Blampied (2016) and Carter (2016).

52 For a discussion of the different meanings of development effectiveness, even before Busan was adopted, see Kindornay (2011).

53 Almost all developmental successes in the last decades have come from market state-led developmental models in East Asia and not from Western-inspired ones (i.e. Washington Consensus and beyond).

The GPEDC's organisational model has not helped to activate the commitments agenda. To start with, the governance structure based on constituencies has been problematic. Some constituencies already had fora in which to discuss these issues – the DAC for traditional donors and the “effectiveness” platform of the CSOs – but others (the Southern providers, the private sector) lacked legitimate spaces in which to organise themselves and define their positions. The Southern providers lack boundaries, a proper narrative and a forum of their own. Recipient countries had their own caucus at the WP-EFF, but when the latter was disbanded, this body disappeared.<sup>54</sup> Scrapping the WP-EFF meetings had the side effect of weakening the constituencies model and also the “action agenda”. Moreover, as the differential commitments concept waned and the “development effectiveness” paradigm broadened the agenda, the Secretariat made little effort to guide the activity of the constituencies towards “defining their respective commitments and actions within the framework of the Busan agreement”, as the mandate of the GPEDC expected them to do. As a result, non-state constituencies tended to focus on their own demands: on what the states represented at the GPEDC could do for them, rather than on the commitments that they would undertake to further the global cause of development.<sup>55</sup> In Nairobi, this trend was partially reversed, but these demands had already weakened the action agenda.<sup>56</sup>

A paper published two years ago by the Institute of Development Studies (IDS), which also addresses the question of why the emerging powers left the Partnership, observes that the GPEDC's “real comparative advantage”, as revealed by the Mexican HLM, is that it could become a useful and lively multi-stakeholder forum in the style of Davos, rather than a (failed) “space for government-to-government negotiations and binding global policy commitments” (Constantine, Shankland, & Gu, 2015, pp. 19-20). It recognises that the GPEDC “action agenda” is fading, but, in contrast with this paper, it sees this as a positive evolution that puts the Partnership in a better position to re-(engage) the emerging powers. Though the IDS proposal could actually work, it would do it, in my opinion, at too high a price.

#### *A new development agenda in a new geo-political context*

Unhappy with the direction of the GPEDC and anxious not to “contaminate” the post-2015 negotiations that were about to start, the BIC quit the GPEDC on the eve of the Mexican HLM. They were confident that their views had more chance of success at the UN and had good reason to think this. At the time, the UN System Task Team of the UN Secretariat was proposing to make the concept of CBDR the underpinning of the entire post-2015 development cooperation agenda. The logic of its proposal was the same as that of Busan article 14, which had appeared some months earlier. First, the UN Secretariat recognised

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54 The regional UN bodies, which continue to treat developing countries as one large homogeneous community, are of little help in organising and generating distinctive narratives for Southern providers and recipient countries.

55 Thus, the CSOs focussed on committing to states to provide them with a proper environment for their own activities, even when these were not related to development. The private sector focussed on obtaining a better environment for business and the trade unions complained that the “underlying economic development model of the Partnership [...]” implied, among other things, “a lack of attention to job creation” and was too soft on the private sector (texts from the ILO quoted in Abdel-Malek, 2015, p. 217). At the same time, none of these three constituencies seemed to be putting much effort into defining their own “development cooperation activities” and making them “more effective”.

56 The Nairobi outcome document presents for the first time some commitments for each constituency.



that “so-called non-traditional donors, such as emerging economies and middle-income countries” had an “increasingly important role as partners in development cooperation” (UN System Task Team on the Post-2015 UN Development Agenda, 2013b, p. 2). Then it argued that these “non-traditional donors” should adopt “explicit commitments [...] across the goals and targets of the new development agenda, according to the principle of common but differentiated responsibilities” (UN System Task Team on the Post-2015 UN Development Agenda, 2013a, p. vi). The CBDR proposed by the UN Secretariat was, as in Busan, a formula about positive commitments, not a strategy to avoid them.

But if in Busan the traditional donors had accepted this logic – with the wording differential commitments instead of CBDR – their stance on the issue had stiffened after two years. The burden-sharing battle at the GPEDC had ended with the omission of the differential commitments concept from the Mexican communiqué and the decision of the emerging powers to leave the GPEDC. Now the same battle was repeating itself at the UN. To start with, traditional donors rejected the UN Secretariat’s initial proposal: the CBDR concept was not welcome in the 2030 Agenda, except in its original, restricted context, which was the discussion of climate change. Although the UN Secretariat had given the term a positive spin, the donors were not willing to accept it. These dynamics were later replayed at the intergovernmental negotiations on the post-2015 Finance for Development (FfD) agenda. The G77 and China called on DAC donors to fulfil their responsibilities and insisted on CBDR, but all the DAC donors rejected the concept. The Europeans, taking on a number of commitments, insisted that High Middle Income Countries (HMICs) and emerging powers match them at a proper level, but the G77 and China refused to do so. Meanwhile, the United States, unwilling to take on commitments (and disengaging itself from the 0.7 per cent target), made no effort to pressure the emerging powers to do so.<sup>57</sup> In short, given the lukewarm position of the world’s two largest players, the United States and China, the 2015 FfD summit in Addis Ababa, which was supposed to mobilise the “trillions” needed to support the SDGs, could hardly be considered a success.

The relations between the emerging powers and traditional donors did not change much at the SDG conference itself, except perhaps that by making the SDGs – with general consent – a “universal agenda”, the donors took yet another step towards superseding the North-South divide. After the universal adoption of the SDGs – the element of the development agenda that was keeping everybody in the same boat – the agenda then moved towards its third large event of the year: the climate change conference in Paris. Here, CBDR took a seemingly fatal blow. The emerging powers had squandered the many opportunities they had had to give this controversial concept a positive meaning – as proposed in Busan and later by the UN Secretariat – and to take on concrete “differentiated” commitments at the climate change negotiations, the FfD agenda, the GPEDC and other agendas. Now, CBDR had become *the major obstacle* to making advances in the fight against climate change. China and other emerging powers were, by now, prime polluters and painfully aware of the

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57 The European Union proposed the following amendment, which was blocked by the G77 and China: “All [upper-middle-income countries] and emerging economies should further scale up their efforts to support other developing countries, and take clear commitments to increase their international assistance”. In the meantime, the United States managed to include a division between traditional donors that had assumed the 0.7 per cent target and those that had not. For a reflection of the role of the CBDR concept at the Addis Ababa negotiations on finance for development, see Bracho, Hackenesch and Weinlich (2015). For a good review of positions on CBDR at the “Open Working Group” that negotiated the SDGs, and a defence of the Western opposition to CBDR and differential commitments alike, see Nobbe (2015).

devastation that climate change was likely to generate in their own domestic spaces. They were more willing to cooperate in this agenda than in the global struggle against poverty and for development. With its increasingly arbitrary division between Annex 1 (developed countries with responsibilities) and Non-Annex 1 countries (developing countries with no responsibilities), however, CBDR was blocking the way to international cooperation (Pauw, Bauer, Richerzhagen, Brandi, & Schmole, 2014). With the implicit or explicit recognition of the major players (and foremost China) that the annex/ non-annex division was obsolete, CBDR was all but formally abandoned in Paris. Instead, a regime based on countries' "self-differentiation" was established (Mbeva & Pauw, 2016).

Now every country, developed and developing, was expected to come up with its own "voluntary plan", according to its own particular circumstances. This new climate change framework took the international system one step further along the path followed by the GPEDC, the FfD, the SDGs and other development agendas: from a structured post-war development aid system based on clear Northern responsibilities towards the South to a looser system with more players (though not necessarily less aid) based on more relaxed practices and standards as well as more voluntary commitments. In the international development cooperation agenda, as in many others, the rise of the emerging powers has given way more to competition than to cooperation, to new institutions rather than to the reform of existing ones, and to the dilution of existing compromises and standards rather than to the creation of new consensual ones.

The election of Donald Trump, with his overtly "America First" policies, has only reinforced this troubling movement towards nationalism and away from international cooperation. The post-war liberal regime is under great stress. All multilateral agendas and organisations will likely suffer, be it from dwindling financial resources or identity crises. The GPEDC will be no exception. Nevertheless, a window of opportunity that might allow it to re-engage some emerging powers might be opening. China has already given some signs that it is willing, at least partially, to fill the spaces that the United States has begun to abandon in certain agendas, such as trade and climate change. It might be ready to do so in the development cooperation agenda as well. Brazil, for its part, is going through a deep political crisis, but its new government has given signs that it wants to realign itself more closely with the West. Recently, it applied for OECD membership, as Argentina has also done.

These *political* trends in Latin America – a continent that, until now, has been somewhat reluctant to engage with the Partnership – will likely favour the cause of the GPEDC and its "Southern provider" agenda. At the same time, several *economic* trends seem to be pulling in the opposite direction. First, the cycle of high and rising prices for commodities driven by China's growth has ended, leaving a number of Southern providers with fewer resources to spare. This is the case with Brazil and Venezuela, which were for years the two main Southern providers of the Western Hemisphere. Second, the recent graduation of Chile and Uruguay, which are no longer HMICs, and thus have been removed from the DAC list, have made the HMICs of the region aware of the prospect of losing their (often meagre) privileges

as aid recipients.<sup>58</sup> This, in turn, has dampened their enthusiasm for a Southern provider agenda. How these political and economic trends will play out is an open question.

### *Recommendations*

The previous governing body of the GPEDC confronted a dilemma: it could either support the transformation of the Partnership into a knowledge-sharing hub – as the IDS report recommends – and allow the supposedly divisive “commitments” agenda to lapse, or it could try to re-install the action agenda at the heart of the GPEDC. The governing body has opted, rightly in my view, for the latter option. There were good reasons for this choice. First, the recipient countries supported it. They wanted not voluntary actions but rather firm commitments that would put peer pressure on all actors. Second, the commitment agenda was, as I have argued, the GPEDC’s real comparative advantage. Finally, the monitoring framework could be used to track part of the SDG agenda, which would strengthen the legitimacy of the GPEDC. It is important, thus, to retain (and reform) the commitments agenda and monitoring framework. As our discussion of the history of the GPEDC has shown (and the IDS report confirms), however, it was precisely these aspects of the GPEDC that alienated the emerging powers the most. How then can we square the circle? How can we keep the commitment agenda alive *and* engage the emerging powers in the complex geopolitical situation that we now face? This is the challenge that the GPEDC faces today.

#### 1. Recovering the spirit of Busan

To begin, the GPEDC should attempt to revive the spirit of Busan, though not necessarily all its concepts. Busan sought to incorporate the “Southern providers” into the agenda, recognising their specificities – an effort that resulted in the differential commitments deal. Recent developments suggest that China, the key player, might be willing to re-engage. Its positions on trade and on climate change at the Paris summit point in that direction. The “self-differentiation” concept that moved the climate change agenda forwards might work here, too. Whereas in differential commitments each constituency is assigned commitments specific to the situation of the group, in “self-differentiation” each country chooses its own commitments according to its own particular situation. The GPEDC should try to re-engage China on the basis of this concept, inviting it to rejoin the Partnership with self-defined

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58 This China-induced economic boom generated per capita growth but, due mainly to huge income and wealth inequalities, generally produced little development. As a result, many countries “graduated” in the World Bank, GDP per capita-based country classifications and lost access to preferential finance and treatment, although they faced practically the same development challenges. This has been the case not only for countries graduating into middle-income status but also for countries graduating to high-income status. For the latter, two conclusions can be drawn. First, the development models they have followed leave much to be desired. Second, the use of GDP per capita as the sole indicator to measure their development, and thus to determine the date of graduation from ODA, is flawed. The deep cause of the “graduation fiasco” is, of course, the first, but with little political will to question a model that the West has promoted with such second-rate results for the last decades, attention has been focussed on the GDP per capita “graduation criteria” and the multilateral institutions, such as the World Bank and the DAC, that apply it. The political backlash sparked by the recent graduations of Chile and Uruguay has given birth to a new agenda of “development in transition”, which aims at changing such criteria, or at least softening the impact of graduation for all country categories. A recent op-ed signed jointly by Alicia Barcena (ECLA), Stefano Manservigi (European Union) and Mario Pezzini (Development Centre of the OECD) can be considered as the founding document of this agenda (Barcena, Manservigi, & Pezzini, 2017).

“effectiveness commitments” guided by the GPEDC and the Nairobi SSC effectiveness principles, which, as we have seen, are basically the same. As the self-differentiation concept is part of a UN agreement that China has already signed, it might keep China from attempting to revive CBDR or the differential commitments surrogate, which the traditional donors now reject. “Self-differentiation” would also bypass the problem of bringing together the “Southern provider” constituency, which, for political reasons, has had difficulties coalescing as a group. Other sympathetic Southern providers (i.e. developing countries with strong SSC programmes and institutions), as well as the Arab donor group, would be invited to follow the same route. The alternative path – approaching China and other emerging powers but keeping the commitment agenda “under the carpet” (and monitoring China’s and others’ performances all the same) – has already failed and should be discarded. In this respect, the GPEDC should follow the advice of Stephan Klingebiel and Professor Li, who, in a recent op-ed piece on the future of the Partnership, argued that “an open, serious dialogue with emerging powers about their perceptions and positions is long overdue” (Klingebiel & Li, 2016). I would add that such dialogue should clarify and not conceal what the GPEDC is about: a partnership not only to discuss development issues but to promote concrete actions to increase the overall effectiveness of development cooperation.

At the same time, the GPEDC has to make itself more attractive to the emerging powers in a number of ways. First, the DAC donors should respect the Busan spirit and recognise that Southern providers ought to be treated “differently”. This means that emerging powers should “self-differentiate”, whereas the DAC donors should keep and, if needed, modernise their effectiveness commitments as a constituency. This stance will give the latter the moral ground to revise – together with recipient countries and the DAC (probably in a WP-EFF kind of workshop/forum) – the validity and relevance of “all their effectiveness commitments” from Rome to Nairobi. It is high time that this agenda be truly revised and modernised and that we stop repeating the now purely rhetorical claim that “all commitments from Rome to Busan are being kept”, when most of them are not even mentioned anymore.<sup>59</sup> This modernisation exercise – which might well conclude that the only relevant commitments are those of Busan, with maybe one or two more – would allow donor and recipient countries to streamline and give more weight to their real commitments and to reiterate clearly, as the South Korean deal asserted, that these commitments would *not* apply to the Southern providers. While the DAC donors revise their collective commitments, Southern providers would be invited to adopt theirs on the principle of “self-differentiation”.

## 2. Bringing the Southern provider back in: reforming governance structure

The GPEDC needs to re-incorporate the Southern provider, both in its narrative and in its governing body. Regarding the narrative, it is understandable that DAC members want to dispense with the concept of the “donor”, which has negative historical overtones and does not fit with the “partnership” model. In the spirit of Busan, however, the emerging powers should be allowed to keep their “Southern” identities. As we have seen in the historical overview, identities are politically important. So, if both are “providers”, the emerging powers should be called the “Southern providers” (or providers of SSC); and if both are seen

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59 There are signs that the present governance structure of the GPEDC favours the modernisation of the existing monitoring framework, though it still has to think through how the Southern providers would fit in.

as “partner countries providing support” (the awkward formula chosen in Nairobi), the emerging powers should be recognised as “Southern partners providing support”, and so on. In this way, the GPEDC would modernise the image of the traditional donors, while admitting that not all “providers” fit in the same box. Its current language, which subsumes all parties into one group, must be refined to recognise the real differences among the constituencies. In other words, the North-South divide should be redefined and nuanced rather than just discarded.

Once their identities are re-established, the Southern providers should recover their right to a co-chair and to an additional seat on the Steering Committee. To ensure that they do so, it is important to redefine the constituency more clearly as one of “Southern cooperation providers”, or “providers of SSC” or – keeping with Nairobi nomenclature – “Southern partners providing support”, or even “HMIC cooperation providers”, rather than as countries that “receive and provide cooperation”, which includes practically all developing countries.<sup>60</sup> The reference to the South indicates both: that these countries keep their right to ODA (even more important in the context of the “graduation” dispute) and that they are not in a position to assume “full-blown” donor responsibilities. As in any typology, borderline cases will always exist, but with this wording, we have a clearer sense of whom we are talking about. Moreover, the allocation of co-chairs should be reformed. If the initiative of adding a non-state executive co-chair materialises, a fifth co-chair representing recipient countries should be added. This reorganisation would have several advantages. First, it would allow for one recipient chair to be allocated to Africa and another to a non-African country.<sup>61</sup> Second, it would create a place for the Southern provider. Third, it would rebalance a governing structure that would otherwise have three cooperation providers and only one recipient country, when it is supposedly the latter that should lead the whole agenda. Finally, fourth, it would allow for an odd, rather than an even, number of members and eliminate the possibility of tied votes. If the addition of the non-state co-chair does not materialise, then the constituency label of the third co-chair should be changed as suggested, and that of the recipient countries should be opened also to non-African countries.

To put these recommendations into practice, it is important to prepare the way carefully. Before approaching the BIC, the GPEDC should mobilise the Southern providers most involved in it. Countries such as Turkey, Thailand, Mexico, Chile, Argentina, South Africa and, in the new political context, even Brazil, should be consulted on a reform of the GPEDC that would restore the place of Southern providers in the governance structure and in the narrative of the Partnership. Before formally launching this reform, it is important to ensure that some of these countries would be ready step in as candidates to fill the Southern providers’ slots in the next governing body.

Admittedly, the GPEDC can only do so much to promote the Southern providers’ agenda. As the South Korean deal sealed at the PBIG recognised, this negotiation has to take place

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60 The advantage of using the HMICs concept is that – in contrast to “Southern provider” – it is well known and clearly defined by the World Bank, but the problem would be India: a lower-middle-income country with such a large GDP, population and fiscal resources that behaves as one of the most powerful Southern providers. India is an exception but one of such importance that the HMIC definition is better avoided in this context.

61 The practice of always giving the recipient chair to Africa contributed to offering Bangladesh the recipient/supplier chair.

in Southern spaces. As we have seen, there have been a number of attempts to do so, but little has been achieved (see note 30). It is high time for the Southern providers (and/or HMICs) to grasp that if they do not take into their own hands the issue of their geopolitical identity in a globalised world, in which the “unity” of the developing world has all but vanished, the Northern-driven multilateral agencies will do it for them, as they have begun to do. It is to be hoped that the forthcoming Buenos Aires plus 40 HLM on SSC (BAPA+40, March 2019) will somehow recognise and tackle the complex political issue of the difference between “small” and “big” SSC. If BAPA+40 manages to advance the agenda and reflect the heterogeneous nature of the real South we live in, the GPEDC will be in a better position to bring the Southern providers into its “commitments” framework.

### 3. Reframing the narrative

As Stephan Klingebiel and Professor Li have also proposed, the “GPEDC’s narrative needs to be more specific” (Klingebiel & Li, 2016). In my view, it should be more focussed on “development cooperation” effectiveness, which is the root of the agenda. This would make the GPEDC more productive. It would require that all constituencies focus on the “development cooperation” side of their activities and how to make it more effective. This does not mean that the GPEDC would not be able to tackle broader development issues as it has done at its two HLMs. Those issues, however, should be framed, as much as possible, from a development cooperation perspective. This approach would better define the thematic boundaries of the GPEDC and generate less dissent between emerging powers and traditional donors, and between both of them and other constituencies. It would also allow for the definition of commitments and deliverables regarding the topics under discussion.<sup>62</sup>

If the GPEDC opts for the alternative route and continues to pursue a more ambitious and holistic narrative of “effective development”, then it should be ready to water down its Western DNA and prescriptive tone. Some emerging powers and China in particular have accumulated an impressive experience on how to develop in an effective way. They should be allowed to share and explain their experiences in the context of a “level playing field”.

### 4. Transmitting institutional memory

Fourth, the GPEDC should take on reforms to increase its own effectiveness, irrespective of how they affect its relations with the emerging powers. In this context, one problem that is clear from the historical record is the lack of continuity in the agenda. As we have seen, at a key moment after Busan, a number of important negotiators left their posts, either through normal diplomatic rotation or for other reasons. These shifts in personnel, though in part simply bad luck, disrupted the transmission of ideas and commitments over time. In normal circumstances, the Joint Support Team would compensate for the shifting *dramatis personae*, but in this case, it lacked strong political leadership. This problem of continuity can be addressed in several ways. One solution would be to lengthen the terms of the co-chairs from two to three years and to stagger their rotations. Currently, all three co-chairs are replaced every two years. It would make more sense for one co-chair to be replaced each year. This would allow for two remaining co-chairs to transmit ideas and experiences as

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62 If, for example, “youth” will be discussed as a GPEDC topic, then focus on how development cooperation could help the youth in developing countries, and so on.

well as institutional knowledge and traditions to the new team. Another solution – especially if the number of co-chairs increases – would be for the Secretariat to recruit a high-level expert with greater political clout, experience in the agenda and stronger connections with the emerging powers to lead the team.

To sum up, this paper proposes bringing the Southern provider back into the GPEDC. There are some signs that, even in our complex geopolitical times, this might be possible. These signs include positive signals from China, the adoption of the concept of “self-differentiation” at the Paris climate change negotiations and the political re-alignment that is happening in Brazil and Argentina. Recipient countries have repeatedly made clear that they value the effectiveness agenda and that they want all actors, including the providers from the South, on board. The GPEDC should not fail them.





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Annex 1

**OECD Development Assistance Committee Statement – 6 April 2011**

**Welcoming New Partnerships in International Development Co-operation**

1. We, members of the OECD Development Assistance Committee (DAC), acknowledge the essential role that major nations from beyond our membership have had in contributing to global progress towards the Millennium Development Goals (MDGs). These nations have lifted many of their own citizens out of poverty and have, in turn, taken on shared responsibilities in the pursuit of common development objectives, economic growth and poverty reduction in developing countries.
2. We welcome the contribution of all providers of development co-operation resources and expertise, and hope to forge new relationships with these new partners through open dialogue without preconditions. Before such a dialogue can become meaningful, it is important to recognize certain fundamental realities, and to acknowledge the diversity that exists within the broader development community.
3. We recognize that many nations engaged in South-South co-operation have a dual status as both recipients and providers. We believe that such duality can enrich the international dialogue and enhance the effort to promote inclusive and sustainable economic growth.
4. We emphasize that engaging in mutually beneficial learning activities – or joint or trilateral development co-operation programs – can serve as a useful platform for increased impact and enhanced cooperation with providers from the North and the South, especially at country level, in a manner that will serve the interest of the poor, without requiring acceptance of the norms and rules required of DAC member states.
5. As the source and keeper of Official Development Assistance (ODA) definitions and statistics, we wish to clarify that ODA is not defined as a North-South transfer, but rather its criteria relate to the development purpose, concessionality, and the official nature of such flows of resources.
6. We would welcome the sharing of data on concessional flows to developing country partners. Reporting of such flows has no bearing on a country's status as an aid recipient. Inclusion in the DAC list of ODA recipients is determined solely by a country's level of economic development based on its per capita income.
7. We believe that development co-operation, from providers from the North or the South, public or private, would gain from collaboration among all actors, no matter their economic status or particular development tradition.
8. During 2011 the DAC, pursuing its commitment towards a global partnership for international development co-operation, will strengthen its own global relations strategy - one that will be aimed at more knowledge-sharing, collaboration and dialogue with non-DAC OECD members, other non-DAC nations (both as our developing- country partners and providers of co-operation), private-sector foundations, and civil society organizations.
9. Our common agenda is the Millennium Development Goals. We hope and expect that the Fourth High Level Forum in Busan, Korea will reaffirm this commitment and lead to an enhanced global partnership. We may have different methods, but our common interest is in reducing global poverty and increasing sustainable and inclusive economic growth.

## Annex 2: Korean Deal

DCD/DAC/EFF/M(2012)3/REV1

**ANNEX B – Note prepared by Korea on global monitoring (circulated as a room document on 21 May)**

Participation of South-South cooperation providers in the Busan Global Monitoring Framework Draft Discussion Note – 21 May 2012<sup>63</sup>

## Background

1. The Busan Forum made a significant step forward by bringing together the broadest range of stakeholders in development. Most notably, emerging economies such as China, India, and Brazil participated in Busan and rendered their support to the Busan outcome document, which has been lauded as a major achievement.
2. Among others, the paragraph 2 was finalized by the sherpas after the intense negotiation. It states “The principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis.” Also, the paragraph 14 makes a specific reference to the complementary roles of South-South providers and recognizes the “common goals, shared principles and differential commitments.”
3. The promise of Busan will be met when the political momentum is maintained and the participation by all development stakeholders is encouraged. In particular, the participation of South-South partners is essential in order to materialize the new Global Partnership. Otherwise, there will be little political progress since Busan and possibly we will move backward to the old paradigm. In this context, the PBIG members are invited to discuss how to provide an appropriate space for South-South providers in the global monitoring system and deliver a specific proposal for the approval of the Working Party on Aid Effectiveness in June.

**Diverging Views**

4. Within the PBIG members, there are diverging views on the nature and level of participation of South-South providers in the global monitoring framework. On one hand, there is a call to engage them in the global monitoring framework in the same way as “traditional” donors. On the other side of the spectrum, there are more realistic views in which the focus is on the voluntary nature of participation and the promotion of policy dialogue and trust building.
5. Some South-South partners have shown greater interest than others in global monitoring by expressing the view that they will engage in the global monitoring in a progressive manner, taking into account their relatively limited capacity as providers of assistance. Some other South-South partners have not expressed their positions on these issues, and have yet to indicate whether or how they intend to participate in the Global Partnership.

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<sup>63</sup> This note is prepared by the Republic of Korea in consultation with the Chair and WP-EFF bureau members and is intended to provide an input for discussion at the 3<sup>rd</sup> PBIG meeting.

## Proposal

5. The paragraphs 2 and 14 are an expression of today's changing realities of the global development landscape. And this is the agreement that over 160 countries including emerging economies themselves have accepted. Thus, they should be the starting point of any deliberations in regards to the participation of South-South partners in the post-Busan system.
6. In regards to the global monitoring, it is important to ensure that language is provided to retain an open door for South-South partners without undermining the expectations and quality of the Busan spirit. Equally important is to reaffirm that South-South providers are not treated in the same way as Northern providers, unless they choose to be. It is welcome for them to provide input to the global monitoring efforts in a range of ways, for example through self reporting on their efforts in areas of interest. Their engagement to share experience and tackle common challenges jointly is key.
7. The following paragraph is proposed to be included in the final proposal for the Busan global monitoring framework. The PBIG members are invited to comment and revise the text, as appropriate.

Given the different nature of South-South cooperation, it is expected that the experience and achievements of South-South cooperation partners in implementing the Busan principles, commitments and actions will be shared on a voluntary basis (for example, through self-reporting on their efforts in areas of interest to them). These new providers of assistance are not expected to participate in the global system proposed in this initial Partnership arrangement. Their future participation in aspects of the global system is a decision left to evolving and sovereign processes, and this will in no way inhibit their full participation in the Partnership as South-South partners.

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