



Brussels Rural Development Briefings
A series of meetings on ACP-EU development issues

Briefing session n° 6: New Drivers, New Players in ACP Rural Development

2nd July 2008 - 8h30 – 15h00

**European Commission, Building A. Borschette, Rue Froissart, 36 - 1040 Brussels
Room 0 D**

The new aid architecture: towards more complexity

Twenty years ago, 95% of aid to developing countries came from the 22 member countries of OECD Development Assistance Committee (DAC). Nowadays, this assistance is provided by more than 150 multilateral agencies, 33 bilateral agencies members of OECD/DAC, nearly 30 countries not represented in DAC, private foundations and a growing number of vertical international funds. The very number of donor countries has tripled in twenty years¹.

While traditional donors remain the dominant source of development aid, the aid landscape is changing rapidly. New sources of aid have emerged. There are new official bilateral donors, including some emerging market countries such as China, India and Brazil. Also private actors like philanthropic organisations and foundations are playing an increasing role in aid. New modalities of aid include global vertical funds focused on specific objectives (such as the Global Fund to Fight AIDS, Tuberculosis, and Malaria and the Global Alliance for Vaccination and Immunization) and innovative financing modalities².

Aid trends

About 70% of ODA flows are provided by bilateral agencies and 30% by multilateral institutions³. If the growing number of public and private actors is boosting global aid volumes, aggregate trends in volumes mask important differences across donor groups. Concerning DAC donors, the rise in ODA appears to have stalled. New players such as non-DAC bilaterals, private entities, and vertical funds are the fastest-growing sources of funds.

From a beneficiaries' perspective, ODA allocations to Sub-Saharan Africa have increased significantly. Much of the increase has come in the form of debt relief, however⁴.

ODA to the agricultural sector decreased in real terms by nearly half between 1980 and 2005, despite the increase in total ODA commitments over the same period. The share of ODA to agriculture fell from about 17% in the early 1980s to a low of 3% in 2005⁵.

The Paris Declaration on Aid effectiveness: additionality of efforts

The 2005 Paris Declaration on Aid Effectiveness represents the current consensus amongst the international community on the management and delivery of development assistance. Its overall aim is to provide a strategy for increasing the impact of aid on development and accelerating achievement of the Millennium Development Goals (MDGs) by means of increased efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators.

The European Consensus for Development and the Aid effectiveness agenda

The 2005 European Consensus on Development is a policy statement that reflects the EU's willingness to eradicate poverty and build a more stable and equitable world. The Consensus identifies shared values, goals, principles and commitments which the European Commission and EU Member States will implement in their development policies. The EU provides over 50% of all development aid worldwide and has agreed to increase its official development assistance to 0.56% of its Gross National Income by 2010 (on the way to achieving the UN target of 0.7% by 2015)⁶.

¹ ODI Working Paper 278, Reforming the international aid architecture: Options and ways forward, 2006.

² World Bank, Global Monitoring Report 2008.

³ World Bank, Aid architecture: An overview of the main trends in Official Development Assistance flows, 2007.

⁴ World Bank, Global Monitoring Report 2008, cit.

⁵ ODI Opinion n. 86, Funding agriculture: not "how much?" but "what for?", 2007.

⁶ The European consensus on development, OJ 2006/C 46/01, 24-02-2006. Built on the principles of the Paris Declaration and the Consensus, an EU Aid Effectiveness Roadmap has recently been released that takes stock of the progress made by the EU and outlines its ambitions. See European Commission Staff Working Paper, The EU – a global

Is future development aid in the hands of philanthropic entrepreneurs?

It has been estimated that an annual budget of 150 billion dollars will be sufficient to meet the MDGs in 2015. Rather than call on the G8 countries should one call upon the largest private fortunes in the world in order to procure the necessary funds to achieve these objectives?

For example, since 2000 the Bill & Melinda Gates Foundation has invested some 13.6 billion US dollars in national and international projects. And the assets of the foundation should reach 60 billion dollars.

Global responsibility and accountability in development cooperation

As the aid architecture has become more complex with more donors, new challenges have arisen. In particular, a proliferation of aid channels, fragmentation of aid, and a trend toward vertical programs and earmarking of funds pose new challenges for coherence and predictability in the delivery of aid.

Moreover, there are concerns around coordination, aid standards and best practices that can be summarised around the following questions:

- What added values bring new players to the international aid system? Will new actors of development aid, public and private, bring additional resources and greater international commitment to the development agenda (MDGs)? Do they bring their own expertise to deal with the poorest countries' problems?
- Are there any international standards to which all donors adhere in terms of providing aid to developing countries?
- Should "new" donors comply with "old" rules or should these adapt to new situations?
- How to develop joint standards for responsible lending and effective aid?
- What will be the role of multilateral institutions that have long institutional experience and capacity?
- Can multi-actor coalitions address specific issues more efficiently than individual donors, by pooling the right type of resources and expertise on a given problem?

ACP will face old and new challenges

ACP countries face the challenge to maintain historical links with the EU cemented by preferential trading agreements, while strengthening links with neighbouring economies especially in the context of regional integration and combining this with the attraction of a "look elsewhere" policy with new players.

At the briefing we intend to look at the following questions:

- Can this increase in financial resources and the proliferation of donors be translated into lower costs and into more effective delivery systems for the beneficiary countries?
- Do developing countries possess the capacity, information systems and co-ordination mechanisms to draw maximum benefits from these new donors?
- What is the best way to improve the effectiveness of collaboration with new players?

Objectives of the Briefing

In order to improve information sharing and promote networking, several partners - CTA, the EC-DG Development, the EU Presidency, the ACP Secretariat, Euforic, Concord and IPS - organise bimonthly briefings on key issues and challenges for rural development in the context of EU/ACP cooperation.

The briefing on 2nd July 2008 will discuss "New players, new drivers in ACP rural development" by (i) raising awareness on existing and emerging key challenges; (ii) promoting exchange of information and expertise sharing among the development groups based in Brussels; (iii) feeding in the debate on new aid architecture by bringing various perspectives around the table.

Discussions will feed the Third High-level Forum (HLF-3) in Accra.

Target group

More than 120 ACP-EU policy makers, representatives of EU Member States, civil society groups, European research networks, researchers and development practitioners, international organisations based in Brussels.

Outputs

Input and comments before, during and after the meetings will be included in the Briefings blog: <http://brusselsbriefings.net/>. Short reports (briefings) in printed and electronic format will be available shortly after the meeting. Articles by IPS Europe, partner in this event, will be widely disseminated.



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Programme

8h00-8h30 Registration
 8h30-8h45 Welcome remarks by organizers
 8h45-9h00 Perspective from the farmer's organisations: *Njogou Fall, President, ROPPA*

9h00-10h45 Panel 1: New actors in the global aid system: opportunities and challenges

This panel will review how the landscape of international development architecture and finance have changed rapidly and how private actors such as private foundations and philanthropic organisations have emerged as significant new investors in the agricultural and rural sector in ACP countries.

- Philanthropic foundations and multilateral institutions like the World Bank: increased opportunities for collaboration in ACP agriculture
Olga Sulla, Senior Economist, World Bank
- Alliance for a Green Revolution in Africa: Partnerships for Transforming African Agriculture
Akin Adesina, Vice President Policy and Partnerships, Alliance for a Green Revolution in Africa
- The new aid architecture: what implications for civil society?
Dr Rudolf Buntzel, Concord

Discussant: *H.E. Mr. Sutiawan Gunessee, Ambassador of Mauritius*

10h45-11h00 Coffee break

11h00-12h30 Panel 2: New donors from the South, new approaches?

Until recently, many of the "new donors", emerging and rapidly growing economies such as China, India and Brazil, were beneficiaries of ODA. Are they bringing their own experience to their rural development cooperation with African countries? What lessons from their own policies and experience can be gained by ACP countries? How do they fit within the aid architecture of the other donors?

- How China delivers rural development assistance to Africa
Hannah Edinger, Economist, Centre for Chinese Studies, Stellenbosch University
- The changing Africa-China Economic Relations and African Development
Jian-Ye Wang, African Department, International Monetary Fund
- The EU approach to China's emergence in Africa
Uwe Wissenbach, Coordinator for Africa-China relations, European Commission

Discussant: *H.E. Brave Ndisale, Ambassador of Malawi*

12h30-13h30 Networking Buffet Lunch

13h30-15h00 Panel 3: Towards coordination, shared responsibility and accountability

This session will look at trends in aid effectiveness, harmonisation and alignment to ensure coherence, a more rational division of labour and performance amongst the donor community. It will look at the joint standards developed for responsible lending and effective aid amongst the various donors and the experience of multi-actor coalitions pooling resources and expertise.

- How donors can improve aid delivery: the experience of the GDPRD
Christoph Langenkamp, Global Donor Platform for Rural Development
- Development cooperation between Asia and Africa: the experience of TICAD
H.E. Ambassador Keiji Yamamoto and Motofumi Kohara, Director General, Rural Development Department, JICA, Japan
- The role of NEPAD in improving quality and effectiveness of aid
Amadou Allahoury Diallo, Agricultural and Water Senior Expert, NEPAD/CAADP

Discussant: *H.E. Mr. Waven William, member of Parliament of Seychelles and Member of the ACP-EU Joint Parliamentary Assembly, co-rapporteur of the report on Aid effectiveness and public development aid*

Conclusions