



Trends in development co-operation

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Outline

1. The major sins of donors
2. The new aid paradigm
3. Managing new aid
4. University co-operation under pressure

1. The major sins of donors

- Selfishness
 - donors are obsessed with flags / photo opportunities
 - they poach scarce staff and recurrent resources
 - they undermine overall policy coherence
- Naivety
 - donors harbour the illusion that they can bypass a weak state and bring sustainable development results
- Arrogance
 - donors impose their own solutions
- Softness
 - sanctions are not applied and thus not credible

Fragmentation and proliferation

- Contrast the three ultimate sources of aid
 - taxes
 - voluntary contributions
 - capital market
- with the hundreds of competing aid delivery channels and mechanisms
- A collective action problem
- A manifestation of donor selfishness
- The market analogy is not convincing

The issue of governance

- Recipient countries are often poorly governed
- But donors are also to blame, by not allowing for recipient ownership
- Regarding governance, donors make two errors:
 - ➔ Donor errors of commission
 - when aid causes governance to deteriorate
 - ➔ Donor errors of omission
 - when opportunities are missed to improve governance

2. The new aid paradigm

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1960-1980	projects	- physical capital - human capital
1980-2000	policy based support	- macroeconomic policies
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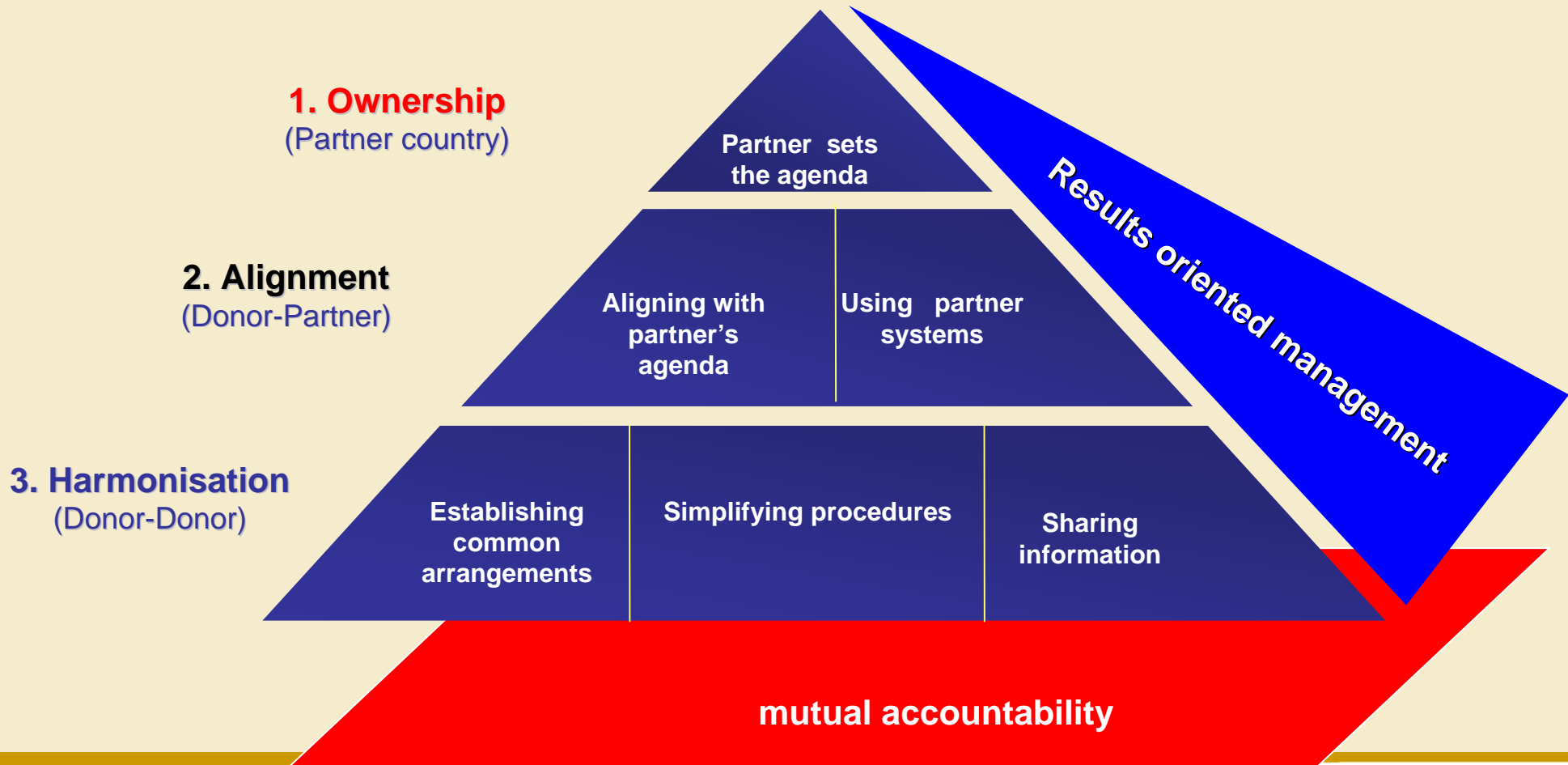
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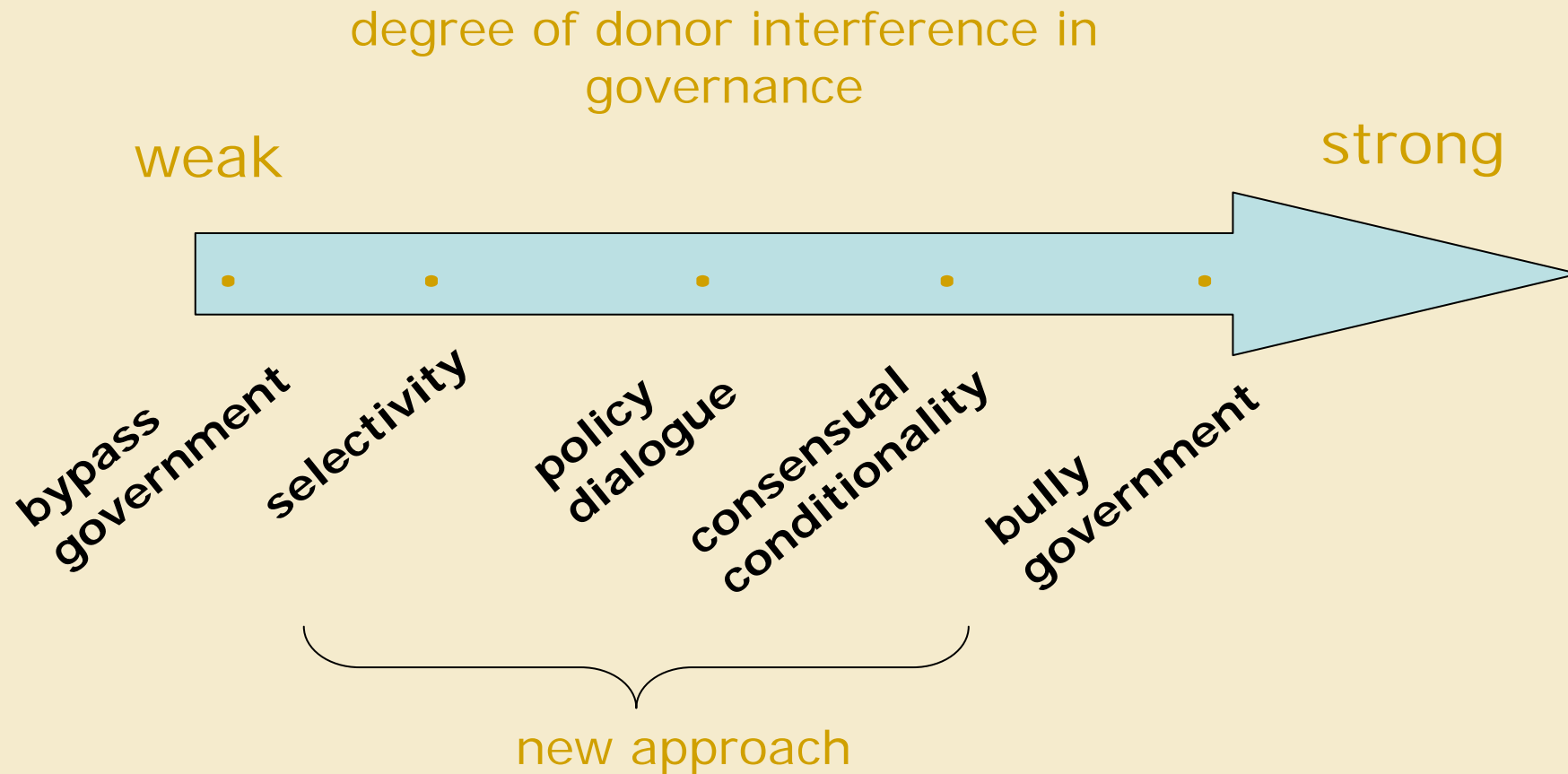
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The 2005 Paris declaration



3. Managing new aid



→ Selectivity

- donors pull reform, but without domestic meddling
- no dominant aid modality
- drawback: moral issue of donor orphans
- drawback: global negative externalities of failing states

→ Policy dialogue

- donors pull reform, actively support internal reform dynamics
- associated aid modality : generous budget support, TA

→ Consensual conditionality

- donors lock in agreed reforms in contracts
- augments credibility of policy dialogue
- associated aid modality: idem

Programme-based approaches (PBAs)

- Characteristics of PBAs
 - Country leadership
 - Single comprehensive programme and budget framework
 - Formal donor coordination and harmonisation
 - Efforts to use local planning, implementation, financial management, M&E

4. University co-operation under pressure

- New aid approach does not favour funding of indirect actors in HQ
- Especially if those actors have a large degree of autonomy
- This is illustrated by looking at the monitoring indicators for the Paris Declaration

Donor indicators: the Paris Declaration

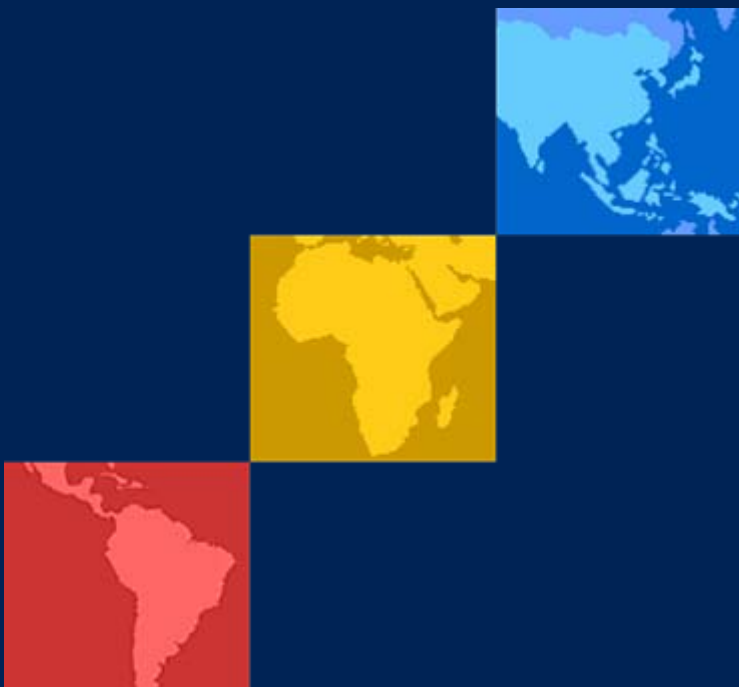
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TA co-ordinated
Use country PFM system
Use country procurement system
Parallel PIUs avoided
In-year predictability
Aid untied
Programme-Based Approaches (PBAs) used
Donor missions and analytical work pooled
Mutual accountability assessments in place

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4. University co-operation under pressure

- Donor support to university education will increasingly come as sector and sub-sector programme support
- Donors will see government, not universities, as their partners
- Donors will see northern universities as mere subcontractors for capacity building
- These trends represent an evolution:
 - ➔ from micro to macro
 - ➔ from technocratic to political
 - ➔ from north to south



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