



KOREA'S ROLE AND THE ACHIEVEMENTS OF THE FOURTH HIGH LEVEL FORUM ON AID EFFECTIVENESS IN BUSAN

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Abstract

On 29 November 2011, over 3,000 participants gathered in the bustling city of Busan to seek a new consensus on aid and development. The Busan Forum on Aid Effectiveness (HLF-4) represents a turning point in global development by shifting the paradigm from aid to development effectiveness and forging a new global partnership for development. The promise of the Busan Partnership will be met when the political momentum and active participation by all development stakeholders continue.

Background

Three years ago, in March 2009, the decision was made in Paris that Korea would host the last High Level Forum on Aid Effectiveness (HLF-4) with the unanimous support of all the members of the Working Party on Aid Effectiveness (WP-EFF). Korea's hosting the global development event holds special meaning in the history of development cooperation.

Despite the remarkable economic progress in emerging and developing countries, poverty remains a global challenge. In addition, recurring global crises such as climate change, food insecurity, and financial instability have posed a great threat to both developed and developing countries.

The donor community has made significant efforts in terms of expanding the assistance to developing countries through Official Development Assistance (ODA) and enhancing the quality of aid with a series of OECD-led high level forums on aid effectiveness starting in Rome in 2003. Yet, the results of development cooperation have been not fully satisfactory.

With the target year of the Millennium Development Goals (MDGs) approaching in less than four years, the Busan Forum was uniquely positioned to take stock of progress and challenges in the past and to define new directions in development cooperation. In this context, Korea, as an exemplary case of showcasing the power of effective aid, offered an inspiring setting to discuss aid effectiveness and to look beyond the horizon of aid toward effective development cooperation.

Lessons Learned

Five years of implementing the Paris Declaration and a global reflection on the changing development landscape have left invaluable lessons, putting the Busan Forum in a different context from previous forums.

As evidenced in the three-time monitoring surveys and independent evaluations, aid effectiveness matters for development results. Yet, political will, especially from the donor, is critical to bring further progress. The call for moving from the process-oriented, technical talks to more focus on sustainable development results has been increasing throughout the years.

At the same time, the global community needs to adapt to a series of changes in the global development landscape. While North-South cooperation remains the mainstream of development cooperation, developing countries are increasingly becoming vital sources of trade, investment, knowledge, and development cooperation. Moreover, NGOs, global programs, private funds and businesses are actively engaging in development, providing innovative thinking and approaches to development. The diversity of development players and the expansion of development resources beyond aid are reshaping the global development architecture. This means

that the development agenda set and led by donor countries alone will no longer be relevant and effective. This change calls for more inclusive development partnership.

In addition, as an Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) Chair previously noted, the global development community is now moving from “a transactional aid relationship” to a “transformational development relationship.” Aid is an important, but limited, resource for development. It is time to deepen the understanding of development in a broader context. As development is increasingly intertwined with other policy issues—such as trade, investment, the environment, security, etc.—promoting greater coherence among these policies is essential to producing better development results.

Key Achievements in Busan

Against this backdrop, the Busan Forum marked a turning point in development cooperation by making an important step forward in several ways.

Political Discussion on Aid and Development

The Busan Forum brought together the broadest range of stakeholders in development. Several heads of states, over 100 ministers from 160 countries, 30 heads of international organizations, around 90 parliamentarians, 300 partners from civil society organizations, and more than 100 representatives from the private sector and academia attended the meeting.

Most notably, there were high-profile political leaders in Busan including President Lee Myung-bak, President Paul Kagame of Rwanda, Prime Minister Meles Zenawi of Ethiopia, Secretary of State Hillary Clinton, UN Secretary General Ban Ki-Moon, and OECD Secretary General Angé Gurría.

The unprecedented high level of participation reflected the gravity of responsibility and enthusiasm for the work they are undertaking in Busan. All development actors represented in Busan were tasked with responding to the increasing call for more effectiveness, accountability and, most importantly, results of their efforts.

Truly Multi-Stakeholder Partnership: Busan's Contribution to MDG 8

Unlike previous forums, the Busan Forum was attended by a large number of diverse development actors beyond governments and international organizations. With Korea's leadership, several multi-stakeholders events were organized including the Parliamentarian Forum, the Private Sector Forum, and the Youth Forum. Also, prior to the main event, the Civil Society Forum was organized with over 500 participants.

The Busan Forum recognized these development actors as true partners in development and facilitated their substantive

contributions to the Busan agenda and the outcome document, contributing to realizing the MDG goal of global partnership for development.

From Aid to Development Effectiveness

It was well noted that there was much “unfinished business” in the aid effectiveness journey as only one of thirteen indicators of the Paris Declaration had been met. In response, the participants in Busan agreed to keep the promise on aid effectiveness by renewing core commitments including transparency, predictability, accountability and agreeing to monitor progress.

However, deepening the aid effectiveness agenda would not suffice to promote sustainable growth and development, and to respond to the rapidly changing world. To make development happen and enhance the impact of cooperation, there is a need to take a broader approach to development. Some critics argued that Busan was facing the risk of being “a lowest-common denominator without bite or focus by becoming more general and inclusive” and diluting the level of commitment by donors. However, sticking to the previous aid effectiveness agenda would make Busan even less significant.

To large extent, Korea’s vision for development effectiveness was largely based on its own development experience. And it was well supported by African countries through the Tunis Consensus. Aid should be used as a catalyst to leverage other development financing including trade, private investment, and domestic resources. By doing so, it can create the enabling environment to realize the country’s own potential for growth and development.

OECD-UN Joint Partnership

Another initiative proposed by Korea was to forge more systematic cooperation among global development fora, calling for a synergic partnership between the OECD and the United Nations (UN) for the first time in the history of global development cooperation. This proposal was well received by the participants and incorporated into the outcome document.

Departing from the previous process led by donor countries, the Busan Forum demonstrated that developing countries can and should take the lead in setting the development agenda. The participants also recognized the role of the UN in enhancing effective development cooperation and invited the United Nations Development Programme (UNDP) along with the OECD to work together in supporting the effective functioning of the Busan Partnership. Given the UN’s universal convening power and the UNDP’s field presence in developing countries, inviting the UNDP as a core partner is expected to provide greater legitimacy and political clout to the new partnership.

Issues and Breakthroughs

The outcome document, Busan Partnership for Effective Development Cooperation, was the result of an inclusive year-long process of consultation with a broad range of governmental, civil society, and private actors in development.

A small group of sherpas representing each constituency were responsible for negotiating the document. Like any other international negotiation processes, the Busan outcome document was finalized after a great deal of political nudge and compromise. Korea, as host country, played brokering roles and exerted diplomatic leadership to bridge the gap of differences and bring key issues into the consensus.

South-South Cooperation Providers

The Busan Forum marked a significant progress in engaging South-South cooperation partners by recognizing their complementary roles and creating a space for them under the principle of “common but differential commitments” and “voluntary participation” in the partnership.

The outcome’s second paragraph clearly 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.”

Arguably, the paragraph lessened the overall ambition of Busan commitments. However, it is neither legitimate nor realistic to apply the same standards to South-South Cooperation providers as traditional donors. South-South partners have a relatively short history of development cooperation as providers. Also, they remain developing countries and face poverty at home. As the Mexican sherpa articulately explained during the negotiation, the engagement of South-South cooperation partners should be approached with a progressive manner. The so-called “twin-track” deal, thus, was an optimal option grounded on the careful political calibration of changing realities.

Korea’s Gender Initiative

Korea’s proposal to include gender equality in the Busan agenda was not enthusiastically received at the initial stage. However, Korea, in close cooperation with the United States, the UN Women, and the GENDERNET, successfully placed the issue high on the effectiveness agenda.

The political support rendered by the UN Women and Secretary of State Clinton was also instrumental to highlighting the significance of gender equality and women’s empowerment for development effectiveness. As a result, a special session on Gender Equality was organized as the main event of the Busan Forum and a Joint Action Plan for Gender Equality and Development was adopted. More than twenty countries and organizations rendered support to this voluntary action plan.

The Role of Private Sector

Another notable aspect of Busan was the active involvement of the private sector. For the first time, over 100 representatives from the private sector participated in the Busan Forum as full members of the broader effectiveness partnership, including large and small firms from both developed and developing countries.

Korea was among the leaders like the United States to advocate the role of private sector in development. A strong private sector and well-functioning market has been the key driver of poverty reduction, job creation, and sustainable growth in Korea. However, the private sector's contribution should not be confined to funding only, but involve market-driven technical input as well as training and capacity building. For this, a model where a profit objective meets with a development objective should be adequately explored.

The notion that development and the emergence of new markets can benefit the business's long-term profits was addressed in A Joint Statement on Expanding and Enhancing Public and Private Co-operation for Broad-based, Inclusive and Sustainable Growth at the Private Sector Forum. This statement was endorsed for the first time by both representatives from the public and the private sector in Busan.

Effective Institutions

Effective institutions are important to deliver development results in a sustainable and holistic manner. This issue was broadly recognized at the Busan Forum where thirty organizations and countries endorsed a New Consensus on Effective Institutions.

Strengthening effective institutions covers the issues beyond the existing work on the use of country system and procurement, and addresses the importance of political economy of reform, capacity building, and institutional changes.

Busan Follow-up

The outcome document has left the details of the Busan Partnership to be determined after the Busan Forum. The mandate of the Working Party on Aid Effectiveness has been extended to prepare for this transition period. Making maximum use of the existing group of sherpas who successfully negotiated the Busan outcome document, the members of the Working Party agreed to form a Post-Busan Interim Group (PBIG) to prepare detailed transition plans and lead consultative processes. The members of the PBIG have been extended from the existing sherpas to ensure a broader inclusiveness of stakeholders. After broad consultations, the final proposals of the working arrangements and the global monitoring framework of the Busan Partnership will be submitted to the last Working Party on Aid Effectiveness meeting in June for endorsement.

Closing

Busan represents the high aspirations of the global development community for effective development cooperation. The impact of the new Global Partnership largely depends on support by all development stakeholders. In particular, the voluntary and proactive participation of emerging economies is essential to drive the new global partnership forward. Building trust through policy dialogues and knowledge sharing should be the starting point to work with the new partners. However daunting a task this may be, the Busan Forum demonstrated that with right spirit and strong political will, progress can be made. The Republic of Korea will remain fully committed to working closely with the global community to make the Busan spirit alive throughout the progressive transformation of the new global partnership.

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