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# Spain and the future of international cooperation. Towards real development effectiveness?

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**>>** 2011 will be a key year for international cooperation, the most important of the events being the Fourth High Level Forum on Aid Effectiveness (HLF-4) in Busan (South Korea). An event to be held in November in a context that is as crucial as it is rapidly changing, not only for cooperation but for the international system as a whole. The emergence of new actors (the well-known BRIC – Brazil, Russia, India and China – as well as medium-sized countries) and forums (such as the G-20) indicate the beginning of a multi-polar world to which the traditional donors, worried about the effects of the crisis and expected budget cuts, are not ready to respond. This not only makes it more difficult to reach meaningful agreements in Busan, but also generates an important debate over the ownership of the effectiveness agenda which threatens to reduce its relevance. Donor countries should not focus exclusively on implementing the Paris Declaration (PD) and the Accra Agenda for Action (AAA), they should also deepen their relationship with the partner states.

In this sense, Spain should take advantage of its close relationship with Latin American countries active in South-South Cooperation (SSC) as well as its experience in triangular cooperation. Spain could be crucial at the next HLF-4, if it is able to contribute to greater collaboration between donors and partner states. And not only with the Least Developed Countries (LDCs), something essential in order to reach the Millennium Development Goals (MDGs), but also with the new actors. The Spanish goal when promoting this collaboration, essential for the future multi-polar architecture of international cooperation, should be three-fold: assure the effective implementation of the PD and AAA principles; adapt the agenda to the different contexts, such as that of the Middle Income Countries (MICs),

## HIGHLIGHTS

- Traditional donors are not ready to respond to the emerging multi-polar nature of cooperation.
- The successful implementation of the aid effectiveness agenda in Spain requires a clear political commitment and better results-based management.
- Spain should also contribute to a real development effectiveness agenda, which includes the experience of South-South Cooperation and better policy coherence.

»»»»» and progress towards transforming the agenda of aid effectiveness into a genuine agenda of development effectiveness.

### **DIVERGING PRIORITIES IN THE CURRENT CHANGING ENVIRONMENT**

In the last decade – and in parallel with the increase in volume of Official Development Assistance (ODA) – the aid effectiveness agenda has grown in importance. Although concerns regarding harmonisation and results-based management can be traced to the Rome (2003) and Marrakech (2004) agreements respectively, it was the PD (2005) which finally defined the agenda. In Paris the need for good donor practices is outlined in the five principles for aid effectiveness: the mantra of ownership, alignment, harmonisation, results oriented management and mutual responsibility. The Accra Forum (2008) broadened the agenda to include the collaborative nature of development and the need for predictable and untied aid. Now, the HLF-4 appears as a new opportunity to review these commitments. Although the results of the monitoring and evaluation studies carried out by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) are not yet known, some priority areas can be highlighted. From the South, partner countries emphasise the need to reduce conditionality and increase the use of country systems – placing the partner states in the development driving seat. These priorities are also the nucleus of numerous SSC programmes which look for more horizontal cooperation, marked by responsibility and mutual learning, as reflected in the Bogota Statement (March,2010). These priorities are shared by the Civil Society Organisations (CSOs), as reflected in the Istanbul Principles (October,2010).

In parallel to these efforts, donor countries are focused on both the agenda's implementation and the development of a “sophisticated efficiency and effectiveness agenda” to deal with

the current context of cuts in resources. They also emphasise the importance of justifying spending, better results-based management and greater transparency- as demonstrated by the recent International Aid Transparency Initiative (IATI) agreement. This is an important agreement, shared by partner states which demand greater transparency and predictability, but it needs to be implemented. At the moment, only the United Kingdom has done so, Spain having not yet published its implementation calendar. An exclusive focus on these aspects risks a return to an overly technical approach and could serve as justification for cost-cutting measures such as the withdrawal, without the appropriate guarantees, from some partner countries. These vertical priorities contrast with those of the partner countries and could make agreements more difficult at the HLF-4.

Beyond specific agreements, the far-reaching changes on the international system require a full review of the agenda in order to avoid it becoming irrelevant. The move towards a multi-polar world -reflected in the deterioration of the European and US economies compared to that of emerging countries- will also affect cooperation. The emergence of new centres of growth (and resources) is leading traditional donors to seriously consider cuts in ODA or its reorientation towards ‘national interest’ goals. In addition to this withdrawal, the appearance of new actors will have important consequences. It is not only about Brazil, India and China developing cooperation packages guided by different rules to those of the DAC (for example mixing aid and investment). The private sector, and mid-level countries, like those known as CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, South Africa), can contribute to developing international cooperation away from the North-South orientation which has characterised it for decades, are also essential. The appearance of a “third wave of development actors” brings new dynamics, such as South-South and triangular cooperation or the collaboration between agencies from the North and South. All this accompanied by increasingly

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blurry borders between cooperation and other areas of the global economy, whose probably far-reaching consequences are still to be defined.

### **SPAIN, THE IMPLEMENTATION OF THE AGENDA AND THE SOUTHERN COUNTRIES**

As one can perhaps expect from a relatively recent arrival, the effectiveness agenda appears in Spanish Cooperation somewhat later than in other countries. Despite this, the approval of the III Director Plan (2009-12) was a milestone in the

creation of a regulatory framework which reflects the centrality of the agenda. However, important challenges remain for the successful implementation of the Paris agenda. Some of the more notable advances include the creation of a GD responsible for planning, monitoring and evaluation, called the General Directorate of Planning and Evaluation of Development Policies (DGPOLDE in its Spanish acronym), as well as the Programme and Quality Unit (UPC) within the Spanish Inter-

national Cooperation Agency for Development (AECID) and the Efficiency and Quality Work Group (GTEC), operating transversally between AECID and DGPOLDE. The signature of the first AECID management contract (2009-10), has enabled important processes such as the Operative Programmes. In the strategic planning area, the Strategic Associa-

tion Framework Agreements with multilateral organisms and especially, the Country Association Frameworks (MAP in its Spanish acronym), stand out. The latter can become a key instrument for implementing the agenda, and are already serving to identify the main challenges of the Spanish cooperation system as a whole.

Given Spain's institutional complexity, one of the most important aspects is the harmonisation and coordination between different actors - Central administration, NGOs and decentralised cooperation (local and Regional Government bodies). This should be done at the HQ using existing, but under-used, structures and mechanisms such as the Sectorial Conference, or the Royal Decree (June 2010) which simplifies the application procedures for grants and funds, and also in the field. In partner countries, the key to this are the Stable Coordination Groups (GECs in its Spanish acronym), where all the Spanish cooperation actors are included. In Angola the GEC is even taking steps to include private actors, an interesting initiative.

There are also clear limits to the implementation of the aid effectiveness agenda (as evidenced during the development of the MAPs), such as: the lack of agenda-related dissemination strategies on the part of the central system; the need for more effective communication between HQ and the field; and the importance of capacity building and improvements in human resources (including the commitment to the effectiveness agenda) in Technical Cooperation Offices (OTCs in its Spanish acronym) and the HQ of the AECID, as well as the rest of the actors. The most important obstacles for Spain however, arise from the lack of political leadership and commitment towards the Paris agenda (a situation which the much awaited reform of the Law on Cooperation might resolve), as well as the need to integrate the decision-making and implementation structures to allow for the creation of a global and continuous vision of the agenda.

**The goal of Spain at Busan should not be only to analyse the implementation of the agenda, but to explore its close relationship with countries active in the SSC and its experience in triangular cooperation**

»»»»» Towards Busan, Spain appears to be working on the implementation of the principles of effectiveness, despite existing shortcomings. Nevertheless, the deep tensions which shape the current context make it important for Spain to go to the HLF-4 with a strategic and proactive attitude. The goal at Busan should not be only to analyse the implementation of the PD and the AAA, and explore how to improve it. Evaluations point out, amongst other aspects, how the shortcomings of the Spanish results-based management system create a situation whereby it 'advances without having objective indicators' about the impact of its ODA. In the international arena, Spain should explore its close relationship with countries active in the SSC and its experience in triangular cooperation projects (where it appears as the third party funder in 10% of the actions in Latin America). In the HLF-4 Spain should propose that 'mutual responsibility' become a genuine collaboration with partner states which will improve the democratic quality of the agenda and maintain its relevance.

Spain could be a key ally in the initiatives led by Southern countries and working groups which are looking to adapt the application of the effectiveness agenda to specific contexts. The acknowledgement of the context of partner countries is already present in fragile states and could possibly be extended to MICs. This is of interest not only due to the need to add these voices to a debate on the agenda which recognises the importance of the emerging countries, but also because in the future, the fight against poverty will not just be focused on the LDCs. Approximately three quarters of the poorest people live in the MICs, reflecting the need to transform economic growth into human development. These issues are already included in new development forums, such as the G-20, so it is essential that European governments like Spain include their experience in fighting inequality, and contribute to opening up the aid effectiveness agenda to the experiences and knowledge of MICs themselves.

#### **POLITICAL PRIORITIES AND THE LIMITS OF AID**

The growing plurality within the international system also underscores the limits of an aid effectiveness agenda focused, precisely, on aid. More and more voices are heard demanding a genuine development effectiveness agenda. Although, or precisely because, consensus still does not exist on what this actually means, it is necessary to move on in this direction in order to achieve quality cooperation which will evolve towards meeting the MDGs in 2015. All of this is urgent given that one of the risks of a multi-polar scenario is that it could lead to a reduction in the effectiveness of aid. The G-20 agreement on a Seoul Development Consensus centred on shared development, infrastructures, creating employment and mobilising domestic resources, highlights such a possibility. Europe seems to partly agree, according to the Green Paper on Development from the European Commission in which a high impact development policy, higher and more inclusive growth, sustainable development and lasting results in agriculture and food safety are all highlighted as objectives.

In Spain -despite the guarantees that it would not happen- the current economic crisis has led to a major cut (almost 20%) in the amount dedicated to ODA. This is very bad news, but it will be worse if aid is reoriented to conform to political priorities. This has already happened in the recent aid review in the United Kingdom and could be replicated in European policies with the inclusion of development cooperation in the European External Action Service (EEAS). If we add to the possible reduction in ODA its concentration on fragile and strategically important countries (Iraq, Afghanistan, Pakistan, Yemen or North Africa), the consequences for the aid effectiveness agenda would be disastrous: it would become little more than a mechanism to guarantee investment results and would lose its relevance. It is therefore essential that the future geographical concentration of Spanish aid - expected for 2012- is guided solely by effectiveness criteria and that it incorporates

lessons learnt on good exit strategies. The complex economic context should not be used as an excuse, but rather as an incentive to make effectiveness the basis of the Spanish cooperation system. To complement this, at the HLF-4 Spain should support the solidarity dynamics generated by the SSC, which can contribute to building a new model of horizontal collaboration which generates alternative means for the production and circulation of resources and knowledge in the international system.

### FROM THE HLF-4 TO DEVELOPMENT EFFECTIVENESS

Even if no important agreements are reached at Busan, the forum could be the first step towards a new cooperation model which has effectiveness written into its DNA. In this sense the position of Spain at the HLF-4 (and afterwards), could act as a model for other European countries and should follow a triple strategy:

- Spanish priorities should be: more political commitment towards the implementation of the Paris and Accra agendas; greater transparency of aid - including the commitment to the IATI; and the creation of a genuine system of results-based management. This should be accompanied at the international level by common indicators and clear temporary goals to mark the progress of the implementation in an objective manner.
- A second line of action should strive to adapt the effectiveness agenda to the reality of the partner countries, thus advancing effective ownership. Spain can play a key role as a double agent here, defending the inclusion in the agenda, until now led by the CAD, of the experiences and lessons learnt from South-South and triangular cooperation.
- Finally, and most ambitiously, Spain should embark on a joint effort with other actors in order to expand the effectiveness agenda to achieve quality development cooperation. The lack of consensus on how to define development

effectiveness, should act as a spur to deepen these debates in the HLF-4. Amongst the main issues policy coherence is key, especially regarding: respect for human rights (something in which the Spanish government's actions in Africa (Equatorial Guinea, Morocco)– leave a lot to be desired), environmental guarantees (including the actions of the private sector) and the defense of a global economic system compatible with development, which takes into account the vulnerability of certain countries in the negotiation of trade agreements, as well as the control of capital flows and speculation.

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