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Aid was yesterday,  
what comes next?

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# The Current Column

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## Aid was yesterday, what comes next?

*Bonn, 16 February 2015.* On 2 February 2015 the House of Commons of the British Parliament released a report on what 'beyond aid' means for the future of British development cooperation. Does the report draw the right conclusions or is it just another paper tiger? We have a twofold response: The report deserves praise for fuelling a debate that is relevant for development communities in all countries. At the same time, the recommendations fall short of framing a development policy for the 21<sup>st</sup> century – not least given the ongoing discussions for a post-2015 agenda. The report maintains a rather traditional 'donorship' and poverty-focused perspective. In the medium to long term, more fundamental reforms will be necessary.

First of all: congratulations to the development community in the United Kingdom (UK). The intensive review process organised by the International Development Committee of the British Parliament underlines the UK's ambition to shape important debates. Many internationally renowned experts contributed by providing evidence. This comprehensive process is in line with previous achievements of UK development cooperation, such as meeting the 0.7%-target.

The report critically reviews the current objectives and strategies of aid. The key message is that development is about more than aid. Today, more than ever the changing global context renders aid less relevant compared with other aspects of development policy. Development policy will increasingly focus on fragile states, inequality in middle-income countries and global, cross-border issues such as climate change. As a response, the report recommends to concentrate aid on the poorest and most fragile countries. In addition, it argues for a 'beyond aid'-strategy that deals with the underlying causes of global development challenges.

The document highlights two main components of such a strategy. First, the UK should transform its relations with middle-income countries. Cooperation with these countries should move from aid to the exchange of knowledge. Second, the report stresses 'policy coherence for development' (PCD) as a cornerstone of the UK's 'beyond aid'-strategy. Policies of rich countries – for instance, their tax laws, rules for intellectual property for pharmaceutical drugs or agricultural subsidies – have a far greater impact on development around the world than aid.

Overall, the review process confirms the UK's resolve to make its development policy fit for the future. At the same time, the recommendations cover mostly existing reform agendas like PCD. In this regard, the UK government is already well positioned: The Department for International Development (DFID) is an inde-

pendent cabinet-level ministry with a mandate to coordinate development policy across government departments. Further, the UK government has experience in working consistently across departments, for example in joint units on issues like climate change. Moreover, the report endorses changes that DFID has already initiated, such as new forms of cooperation with middle-income countries like China and India.

Completing existing reform agendas is a good starting point. But calling for more of the same will not be enough. 'Beyond aid' raises a more fundamental question about brokering collective action for development with actors from outside of the traditional aid sphere. Past efforts have not addressed this question sufficiently. Progress on policy coherence remains slow and emerging countries remain wary of Western outreach efforts. For example, neither China nor India participated in the High-Level Meeting of the Global Partnership for Effective Development Cooperation in Mexico last year.

Building on the parliamentary report, two interrelated issues demand additional attention:

First, what does a universal development agenda mean for 'beyond aid' approaches? The UK report refers to the post-2015 process, but retains a strong poverty focus. For example, the committee still defines 'beyond aid' in old dichotomies, namely what rich countries can do for poor countries. But universality also requires looking inwards and at the world as one. A 'beyond aid'-strategy should integrate these perspectives on universality based on the outcome of the post-2015 negotiations.

Second, what does it take for aid actors to move from providing financial resources to becoming "brokers of global action"? The report states that "an effective beyond aid agenda depends on influencing – and hence people – more than money". Expanding the influence of aid, however, will face trade-offs. Aid agencies that specialise on poverty in fragile states might be influential in a limited number of countries, but they would play a niche role in the broader global setting. Aid agencies that become part of global policy networks, as in climate change, might be better connected. Yet, their overall influence on global politics would be marginal. In any case, aid agencies need to exercise influence in new ways that go beyond advocacy or the promotion of good will.

These questions do not only concern the UK. The report of the British Parliament has the merit of enriching the international debate on the future of development cooperation.