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Building global policies: development assistance, a source of inspiration?

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HIGHLIGHTS

LEGITIMACY Despite the two disadvantages of being intertwined with colonial policy, and of addressing far-off targets, official development assistance grew into a global policy in order to establish its local legitimacy.

INSPIRATION The search for legitimacy gave rise to increasing advocacy work and strategic productions, originally intended for developing countries, which turned into a source of inspiration for the domestic policies of donor countries.

CONSOLIDATION PROCESS The history of global development assistance policy shows a contrast between very old instruments and very recent objectives, following a long consolidation process.

MULTIDIMENSIONAL POLICY The global nature of development assistance also means that it constitutes a form of multidimensional policy. Norms developed into a very complex group and their role very much increased, acting to constrain the very objectives of development assistance.

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Building global policies: development assistance, a source of inspiration?

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Introduction

An increasing number of challenges are taking on a global dimension and, in response, a growing number of voices are calling for global policies: but what are they exactly? We propose to analyse the constitution and modus operandi of one of these policies, development assistance, which has a scope that encompasses all developing countries, the inhabitants of which account for more than three quarters of the world's population.

Following decades where the world seemed divided into two blocks, the fall of the Berlin wall created an image of globalization and directed thoughts towards global governance. In their report on global governance, Jacquet et al. (2002) stated from the outset that the term "governance expresses the basic problem of international economic organization: how to govern without a government?" According to the authors, while governance is associated with a type of redistribution, aid is equivalent to a mechanism for international redistribution. It is one of the few devices of this type, and by far the most important. Partially multi-lateralized[1], aid does not however avoid the action of governments. Analogous to many other policies that act at both national and international levels (trade, migration, agriculture, education and research, etc.), aid is influenced by such policies and is dissociated from them with difficulty, and its action intervenes with the processes of policy formulation in recipient countries.

It is therefore problematic to consider aid as a blueprint for the building of global policies. Nevertheless, we aim to demonstrate the coherence of aid, and also of the processes that have led to its progressive construction. While "development" was an oft-used concept in the writings of colonial administrations, it has not however been clearly defined. Aid appeared in the form of colonial improvements – e.g. preparation by the United States for Philippine independence (Nwaubani, 2003), the Sarraut Plan (1923) and the 1929 Colonial Development Act. With aid, colonization engaged in the explicit and proactive implementation of implicit and opportunistic projects; according to Stevens (1936), colonies are like fruits that grow and mature, as the American colonies did.

The Second World War and the ensuing reconstruction effort revitalized aid. As early as 1942, the United States advisory committee of the State Department on post-war foreign policy had designed the details of a project which, in order to work towards the elimination of European power over the colonies, entrusted to an international institution the responsibility for the coordination of their development programmes, with a view to preparing countries for independence (Nwaubani, 2003); it was not, however, possible to implement this idea. In 1944 there followed the creation of the International Bank for Reconstruction and Development (IBRD). A development assistance policy appeared with the Marshall Plan, which primarily aimed only at countries that were emerging from the conflicts, ahead of consideration for poor or developing countries, in a context where a third World War was feared. Aid expanded in the 1950s. In the wake of the Marshall Plan, through economic necessity and/or strategies aiming to restrain the Soviet Union, American solidarity extended throughout the whole world. On 20 January 1949, U.S. President Harry Truman, in

1. Since the1970s, multilateral aid has represented around one third of the total aid.

his State of the Union address, introduced the concept of "underdevelopment". This speech marked the starting point of post-war development assistance policies; with the barely concealed aim of using an economic weapon to "unite" the dispossessed "to the cause of the free world".

Aid mechanisms could be categorized into three large families: the reconversion of colonial institutions (Belgium, Spain, France, Italy, United Kingdom, and later Portugal); the creation of ad hoc ministerial departments inspired in particular by the desire to act towards decolonization (United States[2], Nordic countries); and war reparations (Japan). In the early 1960s, aid was formally established as a policy to link rich or developed countries with under-developed countries through the creation of the Development Assistance Group (DAG), within the framework of the OEEC that was then in its final years. The DAG was replaced by the Development Assistance Committee (DAC) of the OECD, which was given a mandate to assist countries and regions undergoing economic development, and to increase and improve the flow of long-term capital and other forms of development assistance for these countries and regions. We propose to examine the history of aid as the product of the gradual establishment of a global policy. We will first show how a "bottom-up" approach to building aid was applied, in an apparently disorderly manner due to the complex political economy, beginning with the establishment of instruments that then gave rise to increasingly sophisticated strategies. Next we will describe the construction of "top down" aid, carried out through the formation of increasingly global institutions, the adoption of measurement tools, the Official Development Assistance (ODA), and the development of common regulations, all of which have led to the formulation of common goals.

1. Development assistance: a global policy built in a disjointed manner

"From the bottom level", aid establishes the elements of a global policy. This section examines in turn the main features of the political economy of aid, the development of its instruments, and the formulation of strategies.

1.1. Complexity of the political economy of development assistance

Between the donor and the beneficiary, the aid relationship originated within a strong political context that it gradually became remote from setting the basis of an ethical legitimacy. At first, aid mobilized the colonial legacy in which perceptions and practices[3] were forged. With technical cooperation and the normative conditionality of the Washington Consensus (Williamson, 1990), aid continued to resemble an authoritarian project, despite the humanist assertion of its proclaimed mission and the professional efforts of those involved. However, conditionality faces the constraint for donors to pay out their aid. This gives rise to a series of compromises in which the beneficiary has the advantage: whatever constraints are applied to the design of a project or policy, the country involved ultimately controls the situation and may itself impose adaptations. Initially, the beneficiary of the aid was hardly consulted: it is only belatedly that the concepts of participatory development and ownership have appeared on the list of good practices.

The coexistence of several donors in the field was accompanied by the mutual refutation of their legitimacy. Indeed, aid was used as an auxiliary of the Cold War: each of the two blocks had certain beneficiaries that were protected, through assistance, against the temptations of the opposite camp, sometimes by the use of questionable projects (Hewitt, 1994). In parallel, some countries rejected *a priori* the idea that aid from a former colonial power could ever be legitimate; this criticism is still expressed today, more or less explicitly, in some analyses of the quality of particular donors (such as the DAC peer review of French aid in 2008). Furthermore, multilateral donors question the validity of

2. Even if the reality of this commitment is ambiguous (Nwaubani, 2003).

3. While the United States conceives its aid as supporting colonies in their fight for liberation, it has itself had colonial experience (at first in Cuba and the Philippines, and then following the surrender of Japan, since the US received the mandate of the Pacific Islands formerly under Japanese rule).

bilateral ones since they cannot be disinterested, whereas the former place themselves above specific national interests and serve the public interest. These differences occur in the face of an imperative necessity to mobilize finances representing critical masses and therefore the need to join forces and also, from the beginning of the 1990s, the need to harmonize practices. The political economy of aid is characterized by the fact that peer pressure (from other donor countries) plays a role that is sometimes greater than public opinion in terms of the justification for public expenditure in the eyes of those with political responsibility.

Aid is distinct from other public policies that are typically based on taxpayer delegation to a distant administration that proceeds with expenditures (with varying degrees of efficiency). The distance is intensified when the aforementioned administration finances in turn a foreign administration that is remote in terms of geography and development scale (Martens, 2005) and consequently increases the unknown factors, compounding the problems of efficiency (and corruption), and casts doubt upon the quality of feedback from financed operations. This spatial distance is intensified by a distance in time because some investments of aid have highly deferred effects. The arrangements made necessary in order to mitigate the payment conditions of aid, further contribute to the distance between the original project and the action actually financed. At the end of the chain, the subject of aid becomes so remote and distorted that adherence to public policy is a matter of faith; this is perhaps the reason for the skepticism expressed by taxpayers when they exaggerate the actual cost of aid (UNDP, 1994).

These distances contribute to the perception of aid as being part of an international policy, a superior motivation or a global logic. Therefore, there is a great temptation for freeriding behaviour; the major aid donors of the 1960s[4] made continuous attempts to share their aid burden and to distance themselves from it, a trend - to which there are only a handful of exceptions - that is demonstrated by the gradual erosion of their relative effort. To avoid undermining the budgetary basis in this way, bilateral aid regularly seeks to renew its legitimacy in terms of promoting national interest: buying votes at the United Nations, conquering export markets, gaining diplomatic influence etc. This fuels a tension between the ambition of a global policy and the reaffirmation of its importance as a national policy[5], resulting in the demand for policy coherence, which equates to attempts to ensure that policies adhere to the objectives of aid.

1.2. Various instruments of development assistance derived from long-established traditions

The instruments of aid are not new: the design of investment actions within a "specific environment" has been inherited from the colonial experience, along with the concept of the missionary projects, which has been recycled in the form of expertise; in addition, instruments borrow from old practices such as food aid. One innovative element is the signal effect that aid plays, in addition to the specific effect of its instruments.

Technical cooperation was imposed in the 1940s, notably with the first cooperative action under the auspices of the United Nations, later consolidated by the Expanded Programme of Technical Assistance (EPTA), which was the precursor of the United Nations Development Programme (UNDP). This activity is the oldest and most controversial: in the targeted country, does the expert replace the local authorities or does he help to build their capacity? Is his purpose to verify the implementation of conditionality or does he loyally serve the country's development? For the financiers, the question is

4. At this time, the United States, the United Kingdom and France were responsible for three quarters of aid. The United States expressed a desire to share the burden during the creation of the International Development Association (IDA); in 1959 the Secretary of the Treasury asked at the annual meetings of the Bretton Woods institutions that the world's other industrialized nations should take on a greater proportion of the burden of providing capital to underdeveloped nations. France, especially during the annual meetings of 1955, showcased its efforts in the departments and overseas territories and persuaded its partners in the Common Market to share its aid effort.

5. This importance is periodically reaffirmed as an answer to "Cartierism"(from the name of a journalist who expressed France's preference to "take care of Corrèze rather than of Zambeze"), which arises sporadically.

symmetrical: is he excessively indulgent of the weaknesses of the host country's institutional structure? Are the experts competent? The UNDP (1994) put it bluntly, admitting that it is the worst economists who go into the field to provide their expertise, while Pritchett and Woolcock (2004) noticed with astonishment that administrators from "Denmark" could be sent to design institutions in Djibouti, whereas we would not ask a taxi driver to design a car.

Project financing mobilizes the most substantial sums of money. The IBRD was designed to "finance long-term investment of countries and to support private lending institutions. To avoid encroachment into the domain of the latter, IBRD only lends to governments or their official agencies, or it requests their endorsement. As a precaution, the appropriation of funds from IBRD to specific investment expenditure was preferred to that of support for the balance of payments" (Largentaye, 2004). Since 1940, the debate has recurred regularly: the issue of non-disbursed aid has been raised on a regular basis, especially during the adjustment years. Project aid ignores the fungibility of public resources, giving a tangible satisfaction with an immediate quality criterium: the financed undertaking.

The IBRD project serves the mutual interest of both underdeveloped and industrialized countries (Karasz, 1970), the former needing funds to buy more from the latter, who in turn need solvent clients in order to sell more. Stretching the logic to the breaking point of what Karasz termed as the 'interdependence of buyers and sellers', the community approach completes the mechanism: from the outset, the community approach is formed by linking trade concessions with funding; this occurred during the negotiations of the Treaty of Rome that established the European Community, where a compromise was formed between the colonial powers that sought to share the cost of aid and their partners who wished to see a way into the exclusive markets of major colonial cities. This cleared the way for the Generalized System of Preferences that appeared in the 1960s as a system for exemption to the trade rules of GATT.

Food aid has been used for a long time. Moreover, development assistance acts through a signal effect by the co-financing of operations that are thus labeled as well designed, which can attract private funding. The production of knowledge, advocacy literature and research for the mobilization of partners of all kinds, all contribute to the effect of aid.

1.3. The construction of a common language of development assistance

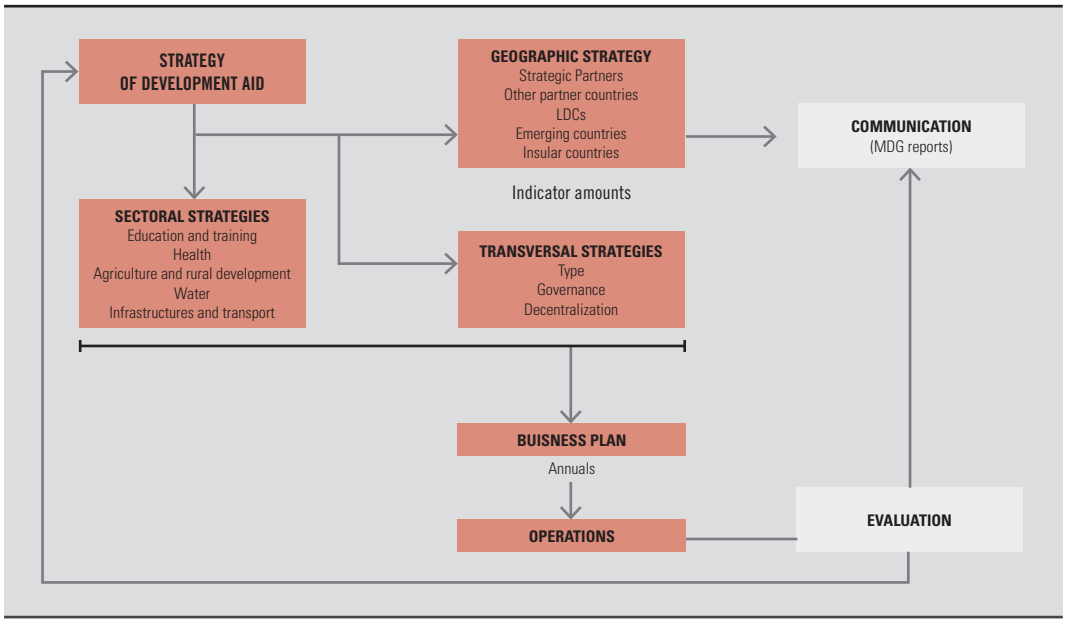
The history of strategic documentation is not easily recounted because it has only recently become accessible. Whether this is due to the confidentiality attached to deliberations of boards of directors, or because of the culture of secrecy associated with banking activities or, for example, the French Resistance during the Second World War and the associated Central Fund for Economic Cooperation, a culture of partnership based predominantly on the clarification of operational logic has not been spontaneous. In France for example, Durand-Reville (1962)[6] wrote that, from the start, financial aid was based upon a planned approach, but he concluded with an important question:

"What is, as much as the Council is able to recognize it... what is the current doctrine of the State, what is the policy of the public authorities henceforth in the management of its aid action to the Third World. The multiplicity of the ministerial departments (...) appears first and foremost to be of nature to make it practically impossible to define, or to even design a general policy of aid."

He added: "Therefore it is to the speeches of the heads of state that one should refer to primarily in order to gather elements that allow research into whether such a policy exists." While much progress has been made towards the clarification of strategies, these comments remain relevant today. Heads of state seem to be more involved in aid than other politicians, except where the aid is subject to a strong and simultaneous mobilization of the civil society, the parliament and the budget, such as we observe in the Nordic countries.

6. A colonial administrator and politician that represented Gabon in the Senate. He was then a member of the Economic and Social Council and in this capacity wrote a report on aid in 1962.

Figure 1. Strategic documentation of donors



Source: François Pacquement

The constitution of cooperation as a joint partnership in the framework of the Treaty of Rome, and then of the Yaoundé Conventions, justified a certain amount of consultation and transparency in the management of European aid, but the latter was however formed outside of any planning process (Frisch, 2008); in addition, the Third World has been slowly developing structurally, with the 1995 Bandung Conference, and the processes of independence that did not conclude until the beginning of the 1960s.

McNamara was nominated president of the World Bank in 1968 where he developed strategic processes: the first country-specific strategies emerged and, through their attempts to formulate quantifiable targets, contributed to the advocacy of an increase in the volume of aid. In consequence, sectoral strategies then began to emerge. Soon afterwards, proliferation of the number of donors, both globally and by country, induced the use of an increasing amount of coordination tools, leading to the production of an increasing amount of strategic documents destined to have a wider distribution, or that could even have be designed in partnership. These texts were subjected to a double development. Firstly, they passed from an internal production to one that involved collaboration with other donors and with the countries concerned, contributing to the creation of a common culture and language[7]. The texts then played a role in the building of aid as an archetypal policy regarding the increasing implementation in OECD countries of systems of "results-based budgets", to deliver the greater efficiency that was necessary in view of the general pressure against public deficits (particularly in Europe after Maastricht) which was sharpened by the sentimental (and therefore vulnerable) nature of public support for aid. This process led to the production of strategic documents from donors, which included a panoply of regional, sectoral or thematic documents that testified to the establishment of elements of a common language and of a global vision of aid (see Figure 1).

Aid policy, viewed from the bottom, is unique in its political economy, history, and the formulation of a common language. This dynamic is not of the same nature as the international transferral of public policies that is observed in many areas (Delpeuch, 2008). The latter, where each country applies its policies on its own territory, do not form the basis of global policies; whereas different stakeholders share

7. In this area, European aid has played an important role as a space where the policies of its various member states could be made coherent, especially after Maastricht with its three-Cs agenda of coherence, coordination and complementarity.

the objectives of aid. Indeed, multilateral space ensures "from the top" cohesion of this entirety, which was built in a disorganized way, without there being *a priori* a single and unique overarching rationality.

2. International institutions - Cementing global public policy

The leeway that has allowed a "from the top" policy design was built with the establishment of international institutions, which have become progressively global during the 1990s. World Bank councils, United Nations assemblies, DAC meetings, have all provided opportunities to move towards a global doctrine, validated by the effects of cross-recognition (participation in common projects or conferences), each agency being able to exert its influence or its leverage through co-financing. The first common strategic construction is a measurement instrument. Efforts then turned from the quantitative comparison to the qualitative analysis and the establishment of restrictive disciplines. At the end of the chain, coordination calls for the formulation of common objectives.

2.1. Increasingly global institutions

Chavagneux (2000) stated that "the international institutional organization that was established at the end of the Second World War" was "based on a liberal vision of the world, in the sense of a clear separation between the fields of politics and economics. The United Nations, and more particularly the Security Council, was charged with the mission to define and manage legitimate international political action. The Bretton Woods institutions had the role of sustaining an international economy, that was supposed to raise only technical issues, remote from any political conflict, and for which a rational economic knowledge could bring all the necessary solutions."

This first partition was reinforced by the system of state representation in these same institutions. At the United Nations, each country counts for one vote, whereas influence depends on its contribution, which is a function of diverse economic parameters (including gross national revenue) in international financial institutions. The United Nations' decision-making rule was generating more and more difficulties for donor countries as the number of states increased, firstly as a result of decolonization and later the breakup of the USSR, which brought two major waves of membership from countries that in general were poor, and therefore candidates for aid. Those who governed aid tended to favour institutional structures where the financial contributors retained power, which probably motivated the creation of a concessional loan mechanism at the World Bank in 1960, with the International Development Association, rather than increasing the resources of the United Nations' EPTA, that also had the ability to distribute funds, and which showed some operational advantages, for example in terms of field presence. Institutions of the Bretton Woods system or of the United Nations were globalized through membership numbers: membership rate is high, and sixty years after the first World Bank operations, there are no countries that have not joined; the multilateral aid policy is indeed globally designed.

In each of these "forums", member states express themselves as such, but the rationale behind each institution is stronger than the rationale of an individual country. Of course, power relationships exist, a fact that is demonstrated by the undeniable preeminence of the United States. Should the viewpoints of members be intangible then the same viewpoint would circulate from one institution to another. But this does not occur, as shown for example by the transposition of the same concerns into analogous institutions, namely the multilateral development banks, which present a different application of the same member state's political constraints[8].

2.2. Measurement as the first strategic concern

Financial mobilization in favour of a new public policy was essential to the development of strategic processes. Effort sharing, which was a recurring concern, firstly required comparability; the first task of the DAC consisted in clarifying the concept of ODA. A commission headed by the former Canadian Prime Minister Pearson formulated a target

8. IBRD (2001), *Cost of doing business: fiduciary and safeguard policies and compliance*, quoted in Kapur (2002).

in terms of effort[9], which served as a starting point for an OECD regulatory aid mechanism. Comparability was based primarily on equating loans and grants through a calculation of net current value (using a rate of actualization that corresponds to the opportunity rate of public investment). Then, resource inputs were expressed as a percentage of the gross national product.

In 1969 the DAC adopted the concept of ODA, which included public sector operations, the main objective of which was to promote economic and social development in developing countries (according to a list that is regularly updated) and which are associated with financial conditions "characterized by favourability". This definition is rather broad and gave a universal character to aid that can be applied to all sectors, in the same way as foreign policy applies to all ministerial departments.

Funding needs are used to define quantitative targets; the Pearson Commission report, adopted by the United Nations in 1970, was immediately contested (Asher, 1971, cited Nixon: "We need to focus on our goal, the actual development, rather than some arbitrary transfer level") and although it was later reaffirmed (notably in 2003 in Monterrey) the funding target has never been reached. In 2005, Clemens and Moss showed that the underlying hypotheses and the applied model were outdated and would today provide an effort target for rich countries that was much lower. Nevertheless, this objective was not at all called into question.
While its definition was built according to a rather long and consensual process, the ODA was contested as a measurement since it did not satisfy economists or accountants, and because it does not allow the measurement of budgetary costs (Chang et al., 1998) nor the effects for beneficiaries. Gradually, this appeared as a real constraint that weighed on the evaluation of the effectiveness of aid. This constraint became even more significant because, in the eyes of developing countries, any adjustment to ODA composition appeared as a means of manipulating the 0.7% target.
The ODA concept induced a strategic restriction by the *de facto* prohibition of certain tools: in a context of a strong budgetary pressure, the fact that an international expenditure could not be claimed as such could lead to its prohibition (see the example of guarantees or certain post-conflict operations). However, more than at any time before, particularly due to the report of the Millennium Task Force (Sachs, 2005), in recent years there has been a realization of the magnitude of the challenge set by the development objectives. These years should have been very creative, which has not really been the case. Five years after Monterrey, at the end of 2008 in Accra and then in Doha, in the middle of a financial crisis, we were forced to acknowledge that mobilization remained fragile (OECD, 2008).

2.3. Establishment of common disciplines

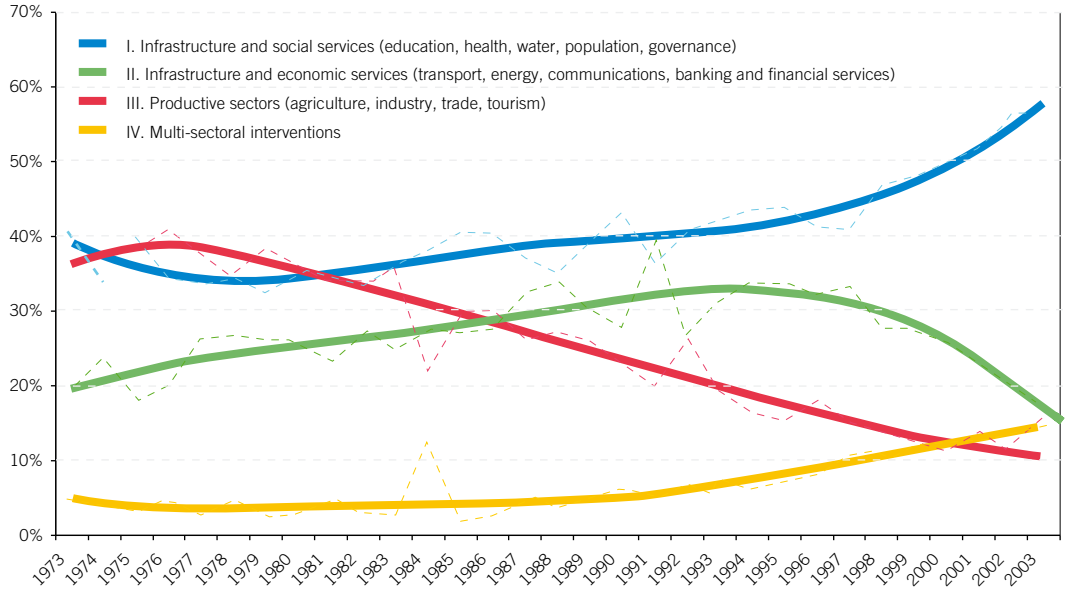
The search for good practice stimulates many international discussions. In 1991 the DAC compiled a manual that included most of the operational lessons from previous years' work on key areas, that led to the adoption of general principles and guidelines on: aid coordination, prior examination of projects, technical cooperation, programme aid, etc. Since then it has been regularly supplemented by new principles. This consultation also took place through regular meetings outside the OECD; for example, the Interact network that was established in 1973, to bring together European financial institutions for development, whether they managed public aid or specialized in financing the private sector.

The search for best practices is conducted in a relentless manner through the establishment of strategies that proceed by slow erosion, as illustrated by the offensive launched to trap tied aid credits between the Arrangement and the DAC. The Arrangement provided a general framework of agreement on export credits, administered by the OECD, which included a monitoring system. This agreement limited the use of aid for trade purposes, in competitive sectors such as telecommunications, transport and energy.

Regarding the DAC, in the early 1990s, while the text was still under negotiation, one study measured that the observable additional costs

9. Which is currently 0.7% of the gross national income of donors.

Figure 2. Distribution by sector of bilateral ODA from DAC countries in terms of commitments (percentage of ODA allocated by sector, smoothed curves in polynomial trends)



Source: OECD, statistics online - Seillan, A. (2006)

of tied aid operations could reach 20%, much of this gained at the expense of other usages. A DAC working group on the financial aspects of aid established a range of disciplines which allowed the exposure of tied aid credits and the assessment of their quality, strengthening a series of converging actions against tied aid, which in 2000 led to the adoption of a decision to ban tied aid in the least developed countries.

Following the implementation of the Helsinki agreement, aid gradually turned away from sectors favoured by export promotion. The ODA measure takes into account the payments, which can sometimes occur five years after a financial decision has been taken, and therefore it was not until 1995 that the trend revealed itself in the statistics (see chart above from A. Seillan, 2006). In return, aid to social sectors increased.

Another discipline that the IMF includes among its conditionalities, within the framework of the structural adjustment programmes, is the prior approval for any new debt in the countries concerned for every individual operation; it requires that loan conditions are at least 35% concessionality.
The disciplines have an increasingly binding role, as evidenced by the increase in the volume of peer review reports within the DAC and by the imposition of quality indicators that are increasingly numerous.

2.4. The formulation of common goals

The objectives of aid have generally been considered as sufficiently explicit in the wording of development aid itself. Statistical work focused firstly on the measurement of global ODA and then on a more precise approach. In this framework, sectoral coding has led to donors better clarifying the actual priorities of each operation. However, McNamara, in 1973, regretted that "development programmes have been primarily directed towards general economic objectives", which he thought provided an explanation for the unacceptable state of development (Foubert, 1973). However, the formulation of common goals remained general and implicit.

In 1996, the DAC contributed to a more precise approach and defined "new" objectives, highlighting the need to increase aid in the framework of a global partnership between donors and beneficiaries. This strategy aimed to halve, by 2015, the number of people living in extreme poverty; to give universal access

to primary education; to eliminate gender discrimination in primary and secondary education, etc. In practice, these goals formed a summary of the commitments of the major international conferences of the 1990s.
The G7, previously involved in aid in a passive and indirect way through tackling the issue of debt crises, considered this first formulation in 1996. After an extension of the process of defining objectives to the aid recipients, in 2000 the United Nations summit unanimously adopted the Millennium Declaration, which introduced the Millennium Development Goals (MDG) as a framework for collaboration in the international community.

Conclusion

Aid was initially built both "bottom up" in an apparent disorder and "top down", which led to the late formulation of common goals. Both processes necessitate a long timescale; they converge to establish a complex space that is akin to a global policy, even if it develops in very diverse ways according to the donors and actual situations.

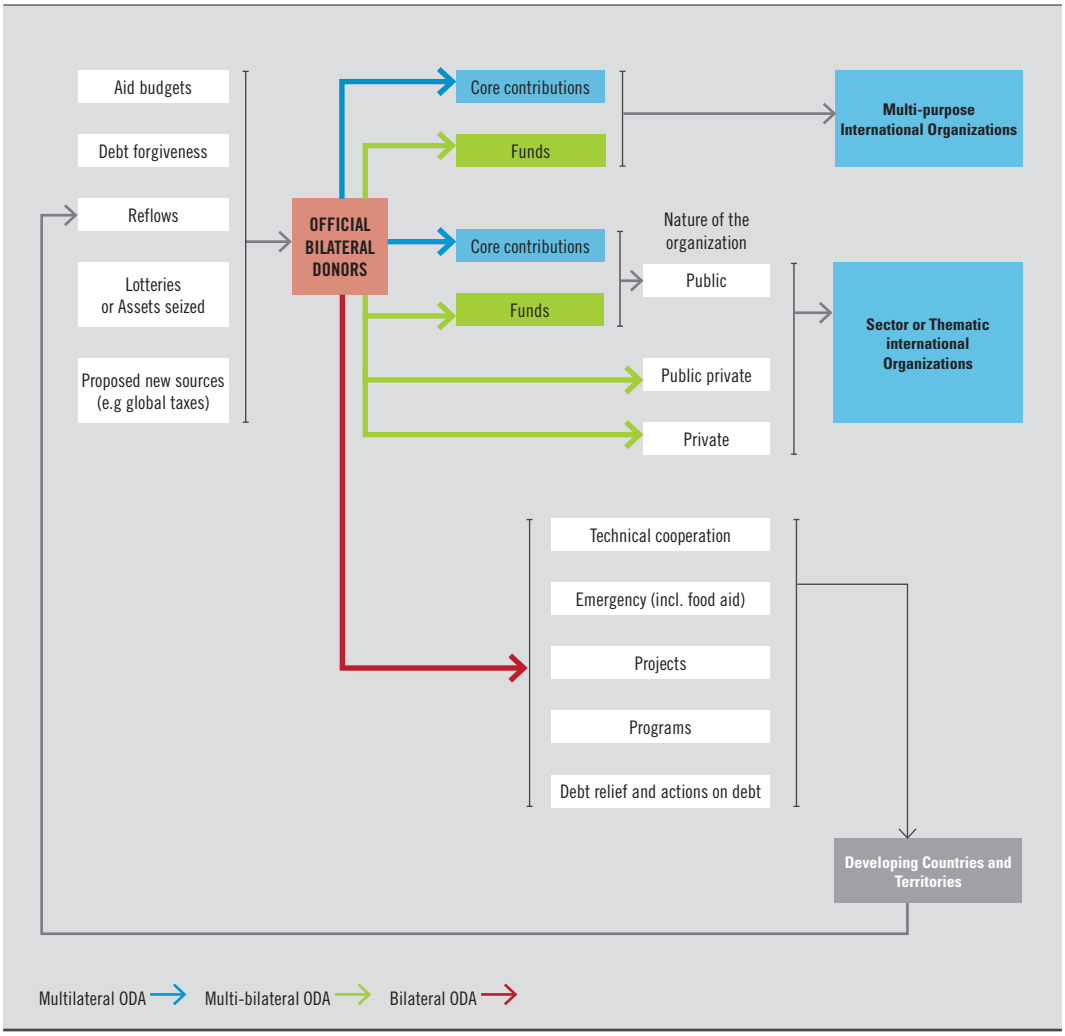
The debate over the respective merits of bilateral and multilateral aid may suggest that these modalities are contradictory; they are in fact interdependent and difficult to dissociate in time. They have in common the fact that they have not been conducted in a rational, logical and methodical way: the instruments were in existence prior to the emergence of their strategies, the objectives were formulated following an important collective investment. Multilateral aid is operated by stakeholders who act at the bilateral level, and bilateral aid is influenced by multilateral strategies and activities.

MDGs represented a strategic risk for aid. Mainly motivated by a desire for advocacy, these objectives, that were late to be adopted, have since been gradually associated with aid, and their predicted failure heralds the ensuing mobilization crisis on the part of donor countries. Aid began to reconstruct its own system of objectives, in particular through the completion of its social ambition, which is displayed in the MDGs through a role of global public goods production, deliberately placing itself at the service of global sectoral policies (especially in 2009 with climate negotiations) and of an ambitious project of a world government. The financial crisis, with the demand for regulation that it generates, can help to accelerate this trend.

This new contribution to global public goods can lead us to call into question the two dogmas of aid, the statistical definition and the authoritarian dimension. It will be necessary, to avoid the latter, to build an environment where long-term and predictable commitments are possible, and to rethink the conditions associated with benefiting from funds. ■

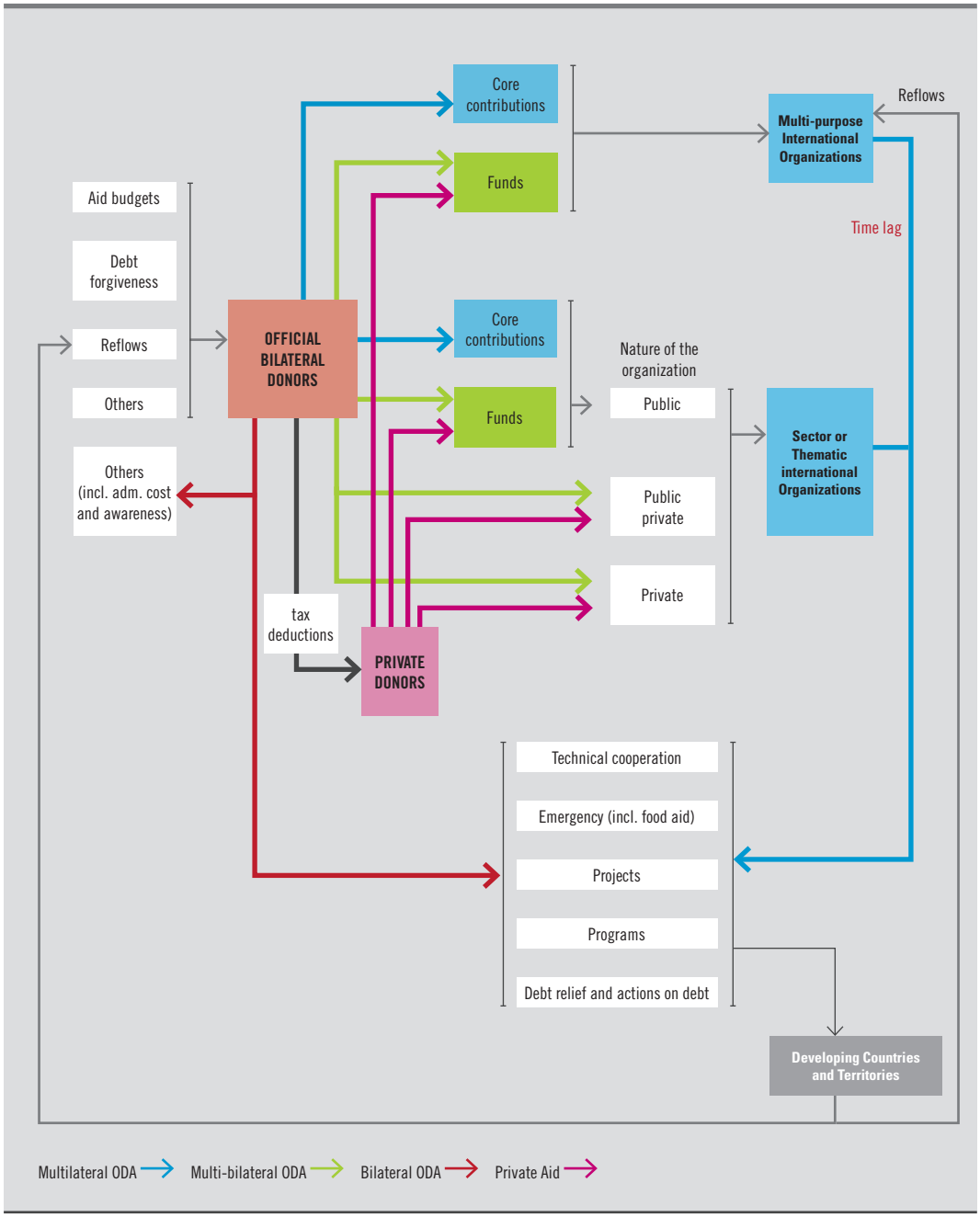
Annexes

Figure 3. Donor view of ODA through bilateral and multilateral channels



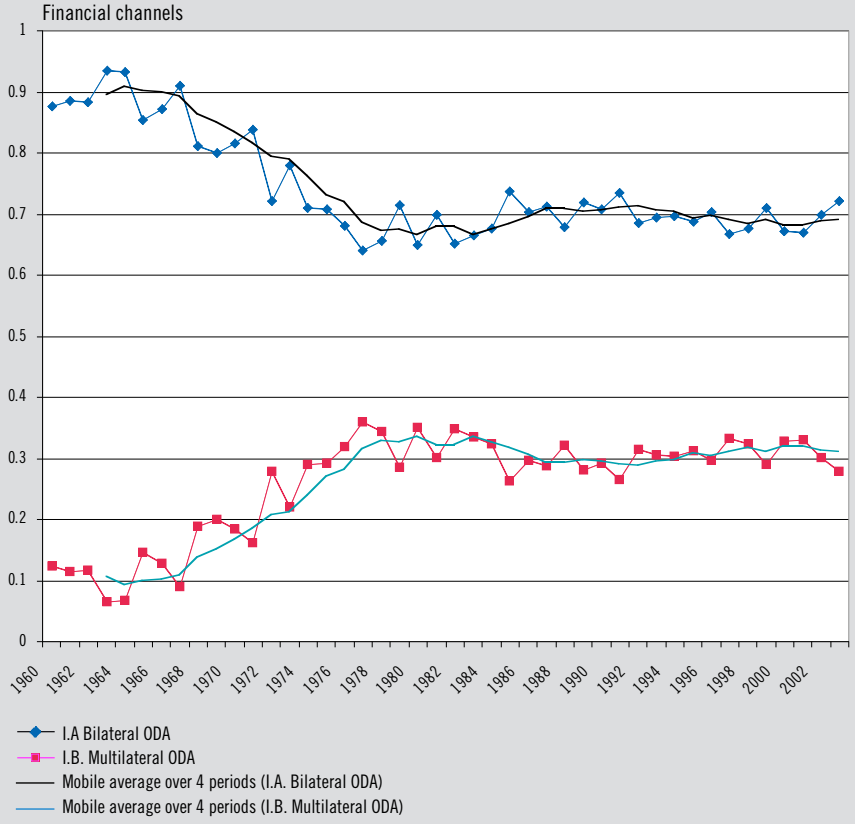
Source : "Aid Architecture: an Overview of The Main Trends in Official Development Assistance Flows", Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries), March 29, 2007.

Figure 4. Recipient countries' view of aid channels



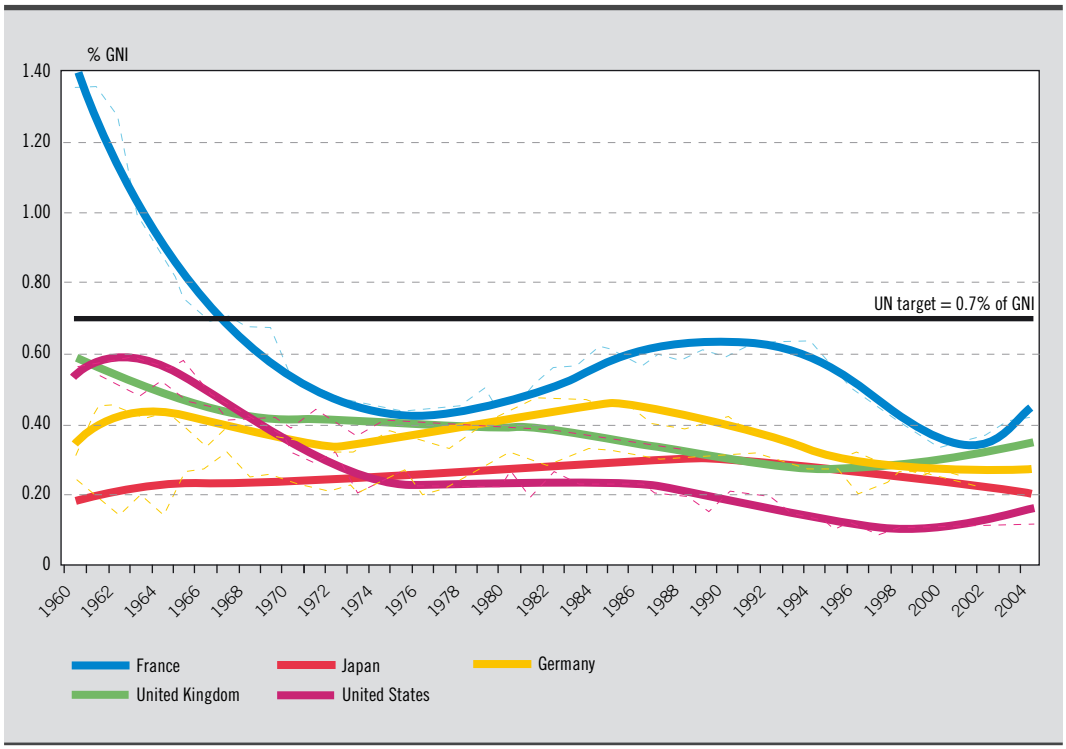
Source : "Aid Architecture: an Overview of The Main Trends in Official Development Assistance Flows", Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries), March 29, 2007.

Figure 5. Financial channels



Source : OECD statistics online - PACQUEMENT, F.
Note: With regard to financial channels, the development of the donors' choices between the proportions of bilateral aid (%) and multilateral aid shows two main phases: one lasting until 1977, during which bilateral aid (shown in blue) has steadily declined as a percentage of total aid; followed by a period of relative stability, during which, since 1974, multilateral aid has remained stable at around 30% of ODA.

Figure 6. Development of net ODA effort of the United States, Japan, France, the United Kingdom and Germany (smoothed curves in polynomial trends)



OECD, statistics online - Seillan, A. (2006).

Figure 7. Globalisation of institutions

	Membres of Word Bank and IMF	Members of United Nations
1947	40	57
1960	80	99
1964	105	115
1979	125	152
1986	151	159
2008	185	192

Sources: IMF and www.un.org/members/growth.shtml

Figure 8. Each institution moulds the attitudes of its member states

Compared approaches of the World Bank and the MDBs

Safeguard area Environmental assessment Forest management	EBRD Policy NR	IDB Guideline Policy	AfDB Guideline Policy	ADB Policy Policy	IBRD/IDA Policy Policy
Involuntary resettlement	NR	Policy	NR	Policy	Policy
Indigenous peoples International waterways Dam safety	NR NR NR	Guideline NR NR	Policy NR Guideline	Policy NR Guideline	Policy Policy Policy
Natural habitats Pest management Cultural resources Projects in disputed areas	NR NR NR NR	NR NR NR NR	NR Guideline Guideline NR	Guideline NR Guideline NR	Policy Policy OPN Policy

NR: no requirement; OPN: Operational Policy Note (in process of being converted into a policy).

Source : IRDB 2001 July 7 - "Cost of doing business : fiduciary and safeguard policies and compliance", quoted in Table 3 in *Do as I say, not as I do: A critique of G-7 proposals on reforming the MDBs,* Devesh Kapur, Department of Government, Harvard University, 2002.

Figure 9: Official list of MDG indicators
All indicators should be disaggregated by sex and urban/rural as far as possible. Effective 15 January 2008

MILLENNIUM DEVELOPMENT GOALS (MDGS)	
Goals and Targets (from the Millennium Declaration)	**Indicators for monitoring progress**
Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	Proportion of population below $1 (PPP) per day[1] Poverty gap ratio Share of poorest quintile in national consumption
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	Growth rate of GDP per person employed Employment-to-population ratio Proportion of employed people living below $1 (PPP) per day Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Prevalence of underweight children under-five years of age Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Net enrolment ratio in primary education Proportion of pupils starting grade 1 who reach last grade of primary Literacy rate of 15-24 year-olds, women and men
Goal 3: Promote gender equality and empower women	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	Ratios of girls to boys in primary, secondary and tertiary education Share of women in wage employment in the non-agricultural sector Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality	
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	Under-five mortality rate Infant mortality rate Proportion of 1 year-old children immunised against measles
Goal 5: Improve maternal health	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	Maternal mortality ratio Proportion of births attended by skilled health personnel
Target 5.B: Achieve, by 2015, universal access to reproductive health	Contraceptive prevalence rate Adolescent birth rate Antenatal care coverage (at least one visit and at least four visits) Unmet need for family planning
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	HIV prevalence among population aged 15-24 years Condom use at last high-risk sex Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years
Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	Proportion of population with advanced HIV infection with access to antiretroviral drugs
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	Incidence and death rates associated with malaria Proportion of children under 5 sleeping under insecticide-treated bednets Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs Incidence, prevalence and death rates associated with tuberculosis Proportion of tuberculosis cases detected and cured under directly observed treatment short course
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	Proportion of land area covered by forest CO_2 emissions, total, per capita and per $1 GDP (PPP) Consumption of ozone-depleting substances Proportion of fish stocks within safe biological limits Proportion of total water resources used Proportion of terrestrial and marine areas protected Proportion of species threatened with extinction
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Proportion of population using an improved drinking water source Proportion of population using an improved sanitation facility
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	Proportion of urban population living in slums[2]

Goal 8: Develop a global partnership for development	
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Includes a commitment to good governance, development and poverty reduction – both nationally and internationally Target 8.B: Address the special needs of the least developed countries Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly) Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States. Official development assistance (ODA) Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) Proportion of bilateral official development assistance of OECD/DAC donors that is untied ODA received in landlocked developing countries as a proportion of their gross national incomes ODA received in small island developing States as a proportion of their gross national incomes Market access Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries Agricultural support estimate for OECD countries as a percentage of their gross domestic product Proportion of ODA provided to help build trade capacity Debt sustainability Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative) Debt relief committed under HIPC and MDRI Initiatives Debt service as a percentage of exports of goods and services
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	Proportion of population with access to affordable essential drugs on a sustainable basis
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	Telephone lines per 100 population Cellular subscribers per 100 population Internet users per 100 population

The Millennium Development Goals and targets come from the Millennium Declaration, signed by 189 countries, including 147 heads of State and Government, in September 2000 (http://www.un.org/millennium/declaration/ares552e.htm), and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly - A/RES/60/1, http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1). The goals and targets are interrelated and should be seen as a whole. They represent a partnership between developed countries and developing countries "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty".

Notes:
1. For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.
2. The actual proportion of people living in slums is measured by a proxy, represented by the urban population living in households with at least one of the following four characteristics: (a) lack of access to improved water supply; (b) lack of access to improved sanitation; (c) overcrowding (3 or more persons per room); and (d) dwellings made of non-durable material.

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Building global policies: development assistance, a source of inspiration?

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