

BUSAN AND BEYOND: SOUTH KOREA AND THE TRANSITION FROM AID EFFECTIVENESS TO DEVELOPMENT EFFECTIVENESS[†]

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Abstract: The fourth High Level Forum on Aid Effectiveness (HLF-4), held in Busan, South Korea drew the largest number as well as the most diverse group of participants ever. This paper examines the shift towards a new global development cooperation paradigm at the Busan HLF-4; the new global partnership that emerged from Busan; and what South Korea brought to the global discourse on development cooperation as an emerging donor. Although it is premature to argue that a new paradigm was established at Busan, there was a clear political momentum for a shift from aid effectiveness to development effectiveness, a change that was advocated and promoted particularly by new actors such as South Korea. The Busan HLF-4 and the post-Busan process have highlighted the global role of new actors, with South Korea exemplifying through its own experience how aid can help bring about development, contributing to the global discourse on development cooperation and playing a bridging role between traditional and emerging donors. The changing dynamics of the world including the global financial crisis and climate change suggest that the global challenges are different from what had been expected when the HLF process and Millennium Development Goals were begun in the beginning of the 20th century. Thus, we recommend that global development cooperation discourse and activities that had been led by traditional Western donors need to find more effective ways of incorporating new actors and different modalities of development cooperation because the global challenges we face are grave. New development partners can bring to the table lessons, energies and capacities deriving from their own dramatic success in alleviating poverty and attaining development and their visibility as global development actors. Copyright © 2013 John Wiley & Sons, Ltd.

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1 INTRODUCTION

The Millennium Development Goals (MDGs) announced at the United Nations (UN) in 2001 and endorsed by nearly 200 nations around the world have been widely recognized as an important global cooperative paradigm to help solve one of the most enduring problems the world has faced—global poverty. The High Level Forum on Aid Effectiveness (HLF), which has been led by Organization for Economic Cooperation and Development (OECD) and other international organizations including the World Bank and United Nations Development Programme (UNDP) since the beginning of the 21st century, has been regarded as one of the premier world forums to discuss how foreign aid, or development cooperation, can help address the problem of global poverty. The fourth and final HLF (HLF-4) was convened in Busan, South Korea. The goal was to assess aid effectiveness and to gather agreement around a new approach to development cooperation focused on development effectiveness.

However, challenges facing the Busan HLF-4 were daunting. The world had changed in many significant ways since the MDGs and HLF processes began at the beginning of the 21st century, which has made alleviating global poverty through foreign aid very difficult. First, the global challenges have become much more diverse and grave for reducing global poverty. The global financial crisis, climate change, food crisis, natural disasters, wars and conflicts have exacerbated the conditions of many developing countries as well as pockets of vulnerable persons within nations. Some of these problems have also affected the donor countries, which led to reductions in foreign aid. Second, new development cooperation providers began to offer an increasing share of the world's development cooperation, now reaching nearly 10% assuming that all of these flows were consistent with the definition of ODA (Grimm *et al.*, 2009; Smith *et al.*, 2010; Smith and Zimmermann, 2011). Emerging economies of Brazil, Russia, India, China and South Africa (BRICS) are providing a growing share of South–South Cooperation (SSC) to developing countries. In addition, private philanthropic foundations such as the Bill & Melinda Gates Foundation, international non-governmental organizations, global corporate social responsibility of multinational corporations, and remittances have now come to play an increasing role in assisting developing countries (OECD, 2007). The global development cooperation arena, which had been dominated by a relatively small number of donors, has now become much more crowded with a greater diversity of players. Finally, partly as a result of the aforementioned forms of diverse forms of assistance to developing countries, there is increasing awareness that foreign aid should be considered as part of a larger stimulus package to developing countries, which includes foreign aid, foreign direct investment (FDI), trade and remittances (Kharas, 2012; Stallings, 2010).

Thus, the Busan HLF-4's goals were multifaceted: (i) assess the aid effectiveness paradigm in development cooperation; (ii) move toward a new paradigm in development cooperation, that is development effectiveness; and (iii) become a more inclusive process to retain its legitimacy as a global forum for development cooperation.

The choice of Busan, South Korea was quite symbolic in global development cooperation. South Korea represents a relatively rare success case of foreign aid recipient-turned-donor in less than five decades. South Korea was one of the poorest countries in the world suffering from colonialism and war, and yet attained dramatic results, rising from a GNP per capita of \$81 in 1961 to over \$20 000 in 2011 (Kim EM, 1997; World Bank, 2013). Thus, in a world grappling with the challenges of global poverty and effectiveness of foreign aid, it was symbolic that the meeting took

place in South Korea, in which a large foreign aid recipient nation eliminated extreme poverty and attained social, economic and political development in the context of fragile security thanks in no small measure to foreign aid (Kim EM, 1997: 106–111; Lim, 1985: 4; Mason et al., 1980: 166).¹ In addition, South Korea attempted to play an important middle power role in global development cooperation through the HLF and post-HLF processes.

Thus, this paper asks the following three questions: (i) whether the Busan HLF-4 successfully changed or, at least partially succeeded in transforming, the aid effectiveness paradigm to that of development effectiveness; (ii) what has been the process of the implementation of the Busan Global Partnership for Effective Development Cooperation,² which was the agreed upon final document of the HLF-4; and (iii) what has been the role of South Korea in the HLF and post-HLF processes? In this paper, we examined existing studies on the HLF process as well as the broader literature on global development cooperation, reviewed various policy briefs and documents that have been produced around the Busan HLF-4 and post-Busan processes and conducted a few interviews with officials who have participated in these two processes.³

The paper is organized as follows: the next section reviews the evolution of the HLF process tracing the history back to the Monterrey Summit of Financing for Development in 2002 to the three HLF meetings, that is 2003 Rome HLF-1, 2005 Paris HLF-2 and 2008 Accra HLF-3. Section 3 focuses on the Busan HLF-4 and examines how the HLF evolved in this fourth and final meeting of the HLF process. We examine how the final document—that is Busan Partnership for Effective Development Cooperation—was agreed upon, and what compromises and negotiations were undertaken to incorporate new actors in the process. We pay special attention to the role played by South Korea, which appeared to have played an important role of arbitrator. Section 4 reviews the post-Busan process, in which the Busan Partnership for Effective Development Cooperation has been implemented. We conclude with whether the HLF-4 process has indeed succeeded in a paradigm shift, how the post-Busan process has developed, and the role of South Korea in these processes. We offer some insight into the future of global development cooperation dynamics.

2 THE EVOLUTION OF THE AID EFFECTIVENESS PARADIGM

In 2002, representatives of states and multilateral development institutions gathered at the Monterrey Summit on Financing for Development, and confirmed their commitment to increase the volume of foreign aid as well as to improve the quality of aid to finance the MDGs (OECD, 2006). However, even after the Monterrey Summit, evidence showed that

¹Foreign assistance including grants and concessional loans to South Korea during the period 1945–1994 reached up to \$12.7bn (Mason et al., 1980). No other major country has received such a high level of per capita assistance except South Vietnam and Israel. After its independence from Japanese colonial rule in 1945 and the Korean War (1950–1953), as one of the least developed countries, South Korea depended largely on foreign assistance for its survival (Mason et al., 1980). The USA was the largest donor and provided economic and military aid to assist post-war reconstruction, economic development, and defence capabilities (Kim EM, 1997; Lim, 1985; Mason et al., 1980).

²This is also known as the Busan Partnership Document. We will use the terms interchangeably. The invitation to sign Busan Partnership Document was issued after the HLF-4.

³Informal interviews were conducted with Korean government officials and International NGO representatives by the author.

increases in development resources were not necessarily leading to enhanced performance in poverty reduction and economic development (Atwood, 2012). Alarmed by this evidence on the lack of effective use of foreign aid, a series of discussions among aid recipients and aid donors was initiated, building on the work of the Development Assistance Committee (DAC) Task Force on Donor Practices, which had begun in 2000, with developing country participation, to follow up on the partnership principle established in the landmark DAC publication 'Shaping the 21st Century: the Role of Development Cooperation' (Kindornay and Samy, 2012). These discussions were to become institutionalized as the HLF process.

The first of these events was convened in Rome in February 2003, after preparatory events in Jamaica, Vietnam and Ethiopia. The focus was on harmonization of aid as the donors recognized the need to reduce the waste and problems due to lack of harmonization among donors, and also between donors and recipient partner nation's development priorities and plans (Lawson, 2013). Although there is some criticism that the Rome meeting did not produce any concrete results, it has been recognized for raising the awareness about the importance of maximizing the effects of aid on development results through effective management of aid (Atwood, 2012). This was seen as a key step toward attaining the MDGs.

Following the Rome meeting, a DAC Working Party on Aid Effectiveness (hereinafter WP-EFF) was established in May 2003, bringing in the developing countries who had participated in the DAC Task Force on Donor Practices and others who wished to join (Lawson, 2013). At the same time, the WP-EFF mandate and work plan joined up hitherto parallel bilateral and multilateral work-streams *via* a set of joint ventures in the areas of public financial management, procurement and management for results. The Rome meeting became positioned retrospectively as the first HLF, and a second High Level Forum was scheduled, to be hosted by France and sponsored jointly by the OECD/DAC, the World Bank, regional development banks and the UNDP. While hosted by the OECD/DAC, the WP-EFF was in fact from its beginning an international coalition of Western donors, developing country partners and selected international development institutions (OECD, 2006).

At the second HLF held in Paris in 2005, the iconic Paris Declaration on Aid Effectiveness was announced. The Paris Declaration presented five principles to maximize the effectiveness of aid: (i) ownership; (ii) alignment; (iii) harmonization; (iv) results based management; and (iv) mutual accountability (OECD, 2005). The Paris Declaration was recognized for its provision for a practical and action-oriented roadmap, and a clear monitoring framework to track the progress with 12 indicators and targets by 2010 (OECD, 2005).

This was the first time in the history of international development cooperation that donors and partner countries agreed to measure their progress in an effort to enhance the impact of aid (Groff, 2011). The Paris Declaration provided a framework to enable evidence-based dialogue to improve aid practices and its impact on development on the ground (Killen and Rogerson, 2010). Moreover, it empowered donors and developing countries to push through aid management reforms within their respective country's domestic political arena. However, despite its continuous efforts to be inclusive, the composition of the WP-EFF continued to be dominated by donors (Lawson, 2013).

At the third HLF in Accra, Ghana in 2008, a larger number of partner countries participated in the discussion and raised their concern about the unfulfilled commitments of the Paris Declaration (BetterAid, 2012). In particular, they called for greater use of developing countries' own public management systems, untying aid and more predictable aid (OECD, 2008). It is noteworthy that the civil society organization (CSOs) were engaged in the forum for the first time (Oxfam, 2012). All the participants confirmed

their commitment to accelerate and deepen the implementation of the Paris Declaration (OECD, 2008).

The Paris Declaration's five principles have been recognized as important global norms for development cooperation especially by OECD/DAC members, but not from SSC providers, and some changes have been reported as a result of improvements in aid management and delivery practices, albeit that the targets have not been fully met (OECD, 2011a, 2011b). It is also noteworthy that in spite of some problems, an independent Paris Declaration evaluation report finds that the commitments and principles are definitely relevant to improving aid impact, if implemented (Wood et al., 2011). Others note that the Paris Declaration's principles can be effectively used by developing countries as leverage when they are negotiating with donors (Rogerson, 2011a).

Survey results of the Paris Declaration principles were released in July 2011. The analysis showed that only one of the 13 targets had been met by the OECD/DAC members (OECD, 2011a, 2011b). These findings are rather disappointing, slow and uneven. While the developing countries made more progress in building the capacity to plan and manage their own development strategies and resources, the donors only recorded modest progress on seven of the targets (OECD, 2011a, 2011b). Thus, the issue is whether to give up the aid effectiveness agenda because of the uneven progress, and move on to a new paradigm; or to finish the business of aid effectiveness while the move toward a new paradigm takes place.

3 THE BUSAN HLF-4 (2011)

The environment surrounding global poverty and development cooperation has changed dramatically and in unforeseen ways since the MDGs were launched at the UN in 2001 and since the first HLF meeting in Rome in 2003. As summarized earlier, new and unexpected challenges including global financial crisis, climate change, armed conflict, food insecurity and the sharp rise of internally displaced persons have put greater pressure on the world community. Therefore, it was evident that there should be better coordination at many levels: (i) among different providers of official development cooperation including traditional donors, new donors and SSC partners; (ii) among different aid modalities including those from private foundations, CSOs and the private sector; and (iii) coordination among aid and other forms of capital flows for development including trade, FDI and remittances. The global development cooperation landscape had become diverse and complex making the OECD/DAC-led HLF process only partially legitimate since many new actors were not properly included, and most importantly, there was no overarching mechanism to coordinate them. The Busan HLF-4 was an important opportunity to help address the limitations of the HLF process by enabling the transition of the paradigm from aid to development effectiveness.

Despite lack of common understanding of the definition of development effectiveness,⁴ moving toward the development effectiveness paradigm has implied the following changes: (i) focusing on the outcome of aid in addressing poverty reduction and development needs from the effective management of aid; (ii) being inclusive of actors outside of the OECD-led process and of development resources so that a greater share of global development cooperation can be addressed and aid can have a complementary and catalytic role in achieving development; and (iii) focusing on the consistency and coherence across

⁴For different definitions on development effectiveness of different organizations, see Kindornay (2011).

development related policies including trade, investment, security and immigration that affects growth prospects of developing countries (Kharas, 2012; Kindomay, 2011; Rogerson, 2010).

As noted earlier, it has been increasingly observed that aid is only a small fraction of development resources, and that it cannot address poverty reduction alone in a complex development process (OECD, 2007). The other resources include domestic resources, other FDI, private loan flows and migrant remittances. In the context of globalization, rather than aid alone, these issues will increasingly shape the development prospects for many countries. It implies that there needs to be a policy discussion on how aid can best be used to have a catalytic effect on these other flows (Rogerson, 2011b). Furthermore, it is evident that focusing just on the management of aid will no longer be sufficient for development. Thus, it is critical to ensure that aid can have a complementary and catalytic role in harnessing other diverse resources for development (Kharas, 2012; Stallings, 2010).

Development effectiveness also means recognizing a more diverse set of development actors and their different roles and impacts. The rapid increase of the volume of foreign aid from non-governmental sources and the diversity of providers of such foreign aid has changed the dynamics of global development cooperation. It was estimated that private development assistance (PDA)⁵ from 14 developed countries reached about \$53bn in 2008–2009 (Hudson Institute, 2011). During the same period, OECD/DAC members' ODA reached about \$120bn, which shows that PDA had already reached nearly 30% of the combined volume of ODA and PDA from DAC donors (OECD, 2012c). If we have ODA data from non-DAC donors, the share of OECD/DAC members' ODA would be even smaller. This implies that there is an increasing share of global development cooperation from non-DAC providers, who are not party to the Paris Declaration. Effective development cooperation requires new sets of norms and guidelines to reflect the changing landscape of global development cooperation. Furthermore, the rapidly rising share of global development cooperation that comes from these providers urges us to revise the OECD norms and guidelines *quickly* if the OECD wishes to remain as an active norm provider of global development cooperation.

We will review how the Busan HLF-4 met these challenges. First, an important contribution of the Busan HLF-4 was the very fact that many of the diverse actors in global development cooperation came to Busan and participated in the HLF process. CSOs were represented by a coalition and were consulted during the Busan process. The largest number of development actors assembled at the Busan HLF-4 as they recognized the urgency of major challenges in increasingly complex development architecture. China is arguably one of the most influential providers of development cooperation and it is not a member of OECD/DAC. China has participated in Paris and Accra, and in particular, a Partner's Contact Group was established for the Accra HLF-3 and was the negotiating party with the OECD/DAC donors.⁶ But, it was in Busan when China actively participated in crafting the Busan Partnership Document and, despite late minute hesitations, endorsed it. Thus, while the earlier HLFs were criticized for being dominated by donors and their agenda, the Busan HLF-4 was complimented for the broader partnership including both low and middle income countries, civil society, parliamentarians and the private sector.

Second, political will to improve aid effectiveness and move toward development effectiveness appeared to be great at the Busan HLF-4. There was a sense of disappointing

⁵Private development assistance includes international aid that flows from private philanthropic sources and does not include private capital investment or remittances (Hudson Institute, 2011).

⁶This information was provided by one of the reviewers for this paper.

progress since the Paris and Accra HLFs due to lack of sustained political will to improve aid effectiveness. The WP-EFF focused on establishing a broad political consensus in Busan, moving away from the technical approach taken in previous HLFs (Kindornay and Samy, 2012). The level of high-level representatives—that is UN Secretary General, Ban Ki-moon, US Secretary of State, Hillary Clinton, President Lee Myung-bak of the Republic of Korea, President Paul Kagame of Rwanda, Queen Rania of Jordan, as well as Ministers, heads of bilateral and multilateral agencies, representatives from NGOs, foundations, parliamentarians and private sector participants—buttressed the sense that the HLF-4 was indeed a high-level process with strong political will at the global and national levels.

Third, the paradigm shift from aid to development effectiveness was only partial. The participants at the Busan HLF-4 decided to retain the aid effectiveness paradigm while moving toward the new paradigm on development effectiveness. This would keep on board the proponents of the Paris Declaration that the effective management of aid is important and relevant for attaining tangible results of foreign aid. While this was unsatisfactory to those who believed that the paradigm shift was necessary to attain real development effects using foreign aid, the compromise was necessary for the Busan HLF-4 to be inclusive.

We will review how the Busan Partnership for Effective Development Cooperation was endorsed by all the participants, and its major principles. First, it is quite significant that the Busan outcome document was discussed and endorsed through an open negotiation process that gave equal negotiation status to diverse stakeholders including BRICS and CSOs for the first time in the HLF process.

Second, the Busan outcome document sets out common goals, shared principles and ‘differential’ commitments for effective development cooperation (OECD, 2012b). We will review each of the parts of this document. The ‘common principles’ include *ownership of development priorities by developing countries, a focus on results, inclusive development partnerships, transparency and accountability*. The focus on ownership, results and accountability is directly derived from the Paris Declaration principles and inclusive partnership and transparency are introduced as new principles.

Along with the shared principles, there are parallel commitments for effective development cooperation and for effective development. The commitments for effective development cooperation include: (i) ownership, results and accountability; (ii) transparent and responsible cooperation; (iii) sustainable development in situations of conflict and fragility; and (iv) strengthening resilience and reducing vulnerability. The focus on transparency and the ‘New Deal’ for fragile states were recognized as one of the major outcomes of Busan forum (Mawdsley *et al.*, 2013; OECD, 2011a, 2011b). Despite the controversy on the technical reason and more importantly political concerns, the formally strengthened commitment for greater transparency would facilitate better cooperation and coordination between donors and development partners. The New Deal, which was endorsed by over 40 countries and agencies, includes five peace-building and state-building goals where international engagement needs to change to realize transition from fragility to development.

The commitments for effective development involve broadening the focus of attention from aid effectiveness to effective development. This requires effective state institutions in developing countries and also includes (i) South–South and triangular cooperation; (ii) private sector and development; (iii) combating corruption and illicit flows, and (iv) climate change finance. They include new challenges and opportunities in the current

development cooperation and attempt to maximize the synergy effect of development cooperation on development. Many new actors including emerging donors such as South Korea, CSOs, BRICS and SSC providers have promoted the idea of development effectiveness since they argued that the aid effectiveness agenda was more focused on the delivery mechanisms of aid rather than the development outcome of aid.

However, the statement established two-tiered commitment levels, in which developing country donors and non-governmental entities accepted the provisions of the agreement as voluntary guidance, whereas traditional donors accepted them as commitments (Oxfam, 2012). The term, 'differential' commitment, reflected a laborious negotiation process that incorporated various voices of the stakeholders including China and India, which did not agree on giving equal responsibility to all donors, or putting in writing the different status of nations by using the term, 'different.' The final formulation was agreed upon with the last minute insertion of paragraph 2 stating that 'the principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners *on a voluntary basis*,' which has led commentators to raise doubts on the real value and potential of the new partnership (Eyben and Savage, 2013).

While South Korea and many new stakeholders initially promoted the idea of a clear paradigm shift toward development effectiveness going beyond aid, traditional donors, which are dominant at the OECD/DAC as well as several developing countries, had reservations that this could leave the business of aid effectiveness from the Paris Declaration and Accra Agenda for Action unfinished. Thus, the motto was changed from 'beyond aid' to 'aid and beyond.' The BRICS and SSC providers expressed concern that single time-bound commitments may put undue pressure on new development partners. Thus, the final document endorsed 'differential' and 'voluntary' nature of the commitments.

4 BUSAN GLOBAL PARTNERSHIP FOR EFFECTIVE DEVELOPMENT COOPERATION⁷

With the Busan outcome document endorsed, participants agreed to create a global partnership to guide and support the efforts and confirm the detailed working arrangements of the partnership by June 2012. A final proposal on the mandate, governance structure and monitoring framework prepared by the post-Busan interim group was endorsed, and the global partnership was officially launched in June 2012.

4.1 Governance

The Busan Partnership Document called for the establishment of a 'new, inclusive and representative Global Partnership for Effective Development Cooperation to support and ensure accountability for the implementation of commitments' made in Busan (OECD, 2012b). This new Global Partnership has the following governance structure: (i) the Ministerial Meeting, which is inclusive and open to all interested stakeholders that endorsed the Busan Partnership, will convene every 18–24 months to share the experience of utilizing different modalities of development cooperation, address key issues from

⁷This is also known as the Global Partnership, and we will use the terms interchangeably.

country-level evidence and review the overall progress of the Busan Partnership Document (OECD, 2012b); and (ii) the Steering Committee⁸ is the working body of the new framework and supports the work of the ministerial meeting by identifying and developing agendas and priorities (OECD, 2012b). The Steering Committee members will also act as ambassadors of the Global Partnership to other international and regional dialogues.

The three Co-Chairs of the Steering Committee—that is UK, Nigeria and Indonesia—represent DAC donors, partner countries and emerging economy donors, respectively. Fifteen other members include five partner countries including one from the g7+ group of fragile states,⁹ three donors and one from each of the following seven categories: donor/recipient countries, multilateral development banks, civil society, private business, parliamentarians, UNDP/UNDG and OECD/DAC.

The Steering Committee reflects a new style of global governance that incorporates both state and non-state actors (Kharas, 2012). It signals a broadening of the OECD/DAC process on development cooperation by inviting UN and diverse new actors including SSC providers, and the private sector. It is also quite noteworthy that representation of the partner countries went up significantly to 5 out of 15 members.

The joint OECD and UNDP secretariat arrangement is significant since it will help broaden the representation of development cooperation partners in the post-HLF process that had been led by the OECD/DAC members. In spite the growing role of developing countries from the time of the DAC Task Force on Donor Practices in 2000–2002 to the role of Egypt as Chair of the WP-EFF from 2009, the OECD forum was not free from criticisms that the norms and guidelines were more heavily biased toward the traditional and advanced industrialized donors with less voice for development partners, SSC partners, NGOs and the private sector. Thus, the cooperation between OECD/DAC and UNDP will help broaden the space for global discourse on development cooperation.

4.2 Monitoring Indicators and Process

Ten targets and indicators with the goal to attain them by 2015, with 2010 as the baseline year, have been agreed to support the global monitoring framework for development cooperation (OECD, 2012a). The global-level monitoring through the indicators around the world as a whole will be complemented by qualitative approaches as well as country-level monitoring efforts to provide a comprehensive assessment of progress. Some of the targets of the Paris Declaration monitoring framework have been retained, which have been identified by developing countries as particularly important (OECD, 2012a). The Paris Declaration's mutual accountability principle was retained, and some aspects of the ownership and alignment principles survived. Other new indicators have been added to reflect the 'broader dimensions of the Busan Partnership agreement (e.g. transparency, gender equality, private sector engagement and the enabling environment for CSOs)' (OECD, 2012a: 7).

⁸The Steering Committee Members are as follows: (i) Recipient countries: Chad, Guatemala, Bangladesh, Samoa and Timor-Leste; (ii) Recipient and providers: Peru; (iii) Providers: EC, Korea and the USA; (iv) Private sector; (v) Parliamentarian; (vi) Civil society; (vii) Multilateral development banks: World Bank; (viii) UNDP/UNDG; and (ix) OECD/DAC.

⁹The g7+ group, which was established in Dili, Timor-Leste in 2010, comprises of 19 fragile and conflict-affected nations who joined together to share experiences and promote the voices of fragile states in international debates.

Global progress reports on implementation of the Busan commitments will be published and presented at the Ministerial Meeting. However, to reduce the burden of developing countries associated with data collection, the monitoring framework draws on existing data sources, and OECD and UNDP will provide advice to participants. The measurement for indicators on civil society and private sector remain subject to further discussion and technical work (UNDP/OECD, 2013).

It had been recognized that there is no empirical measurement to assess the role of CSOs in global development cooperation. Thus, it was agreed that a new Environment Index should be developed and implemented by World Alliance for Citizen Participation¹⁰ (UNDP/OECD, 2013). Also, it was confirmed that the monitoring and evaluation framework in the public–private dialogue¹¹ Handbook should provide the basis for further work on the indicator on private sector. The indicator will assess the quality of public–private dialogue as a proxy for private sector engagement and trade unions in country-level dialogue around policy strategies and reforms of the enabling environment for private sector investment and development (UNDP/OECD, 2013). Furthermore, to reduce the burden on developing countries and to ensure a more democratic process, participation in the monitoring framework has been agreed as a voluntary basis in keeping with the Busan Partnership Document (BPD).

4.3 Remaining Challenges

The Busan HLF-4 paved the way for a broad and inclusive development partnership in which diverse partners share good practices and understand their differentiated roles and strengths. Nevertheless, the new Global Partnership has several challenges to deliver tangible changes.

First, the Global Partnership needs to strike a balance between the inclusiveness of multistakeholders *vis-à-vis* efficient functionality. The new governance structure represents significant progress in inclusiveness, and therefore, its legitimacy to become a comprehensive global development framework has been greatly enhanced. However, it presents a burden on the ability to promote tangible and meaningful collective action as the number and diversity of decision makers have grown (Killen and Rogerson, 2010). The complex decision-making process among diverse players with different approaches will make it difficult to agree, particularly in sensitive areas such as untying aid or the promotion of good governance standards (Zimmermann and Smith, 2011).

The BPD used the terms, ‘voluntary participation’ and ‘differential commitments’ in an effort to bring the SSC partners into the new framework. However, ‘voluntary participation’ could result in no participation by the SSC partners. This is why the BPD has been criticized for having made too many political compromises to bring in the new actors.

¹⁰World Alliance for Citizen Participation (CIVICUS) is an international alliance of networks of organizations at the local, national, regional and international levels, and spans the spectrum of civil society aimed at strengthening citizen action and civil society, especially in areas where participatory democracy and citizens' freedom of association are threatened.

¹¹The public–private dialogue is an initiative to build knowledge and capacity for public–private dialogue, hosted by the World Bank Institute and sponsored by Department for International Development, the World Bank, International Finance Corporation and the OECD Development Center (UNDP/OECD 2013).

Thus, there is uncertainty about whether, and to what extent the BRICS members and other emerging donors will participate in the post-Busan process. Even though the engagement of emerging donors has been the focus of attention, their representatives were rarely featured in thematic and parallel sessions at the Busan HLF-4 (Eyben and Savage, 2013). Also, the donor/recipient seat in the Steering Committee is currently held by Peru because the most influential emerging donors such as China and Brazil were reluctant to join the Committee (Kindornay and Samy, 2012).

In spite of the criticism that there have been, some trade-offs between getting every stakeholder on the same table and pushing boundaries towards more effective development cooperation, we argue that HLF-4 achieved a real breakthrough by bringing China, Brazil and several other new donors to agree on shared principles. If SSC providers do not participate in the post-Busan process, there is a grave danger that the effectiveness of the new Global Partnership will be reduced.

Thus, it is critical to engage emerging donors, SSC partners as well as other new actors and provide them with meaningful roles, incorporate their different approaches, modalities and responsibilities in the post-Busan process (Kharas, 2012). The challenge is to make sure that the new framework is inclusive and broad enough to embrace new players, but specific enough to be meaningful (Glennie and Rogerson, 2011). The role of the Steering Committee will be very important in this process.

Second, it is vital to ensure that promises and commitments are implemented on the ground, and that there is proper monitoring and evaluation. The aid effectiveness process has shown the value of having time-bound indicators along with a monitoring mechanism to hold donors accountable (Kharas and Unger, 2011). The monitoring mechanism of the new global partnership should be politically inspiring to provide voice and guidance to new participants including non-DAC donors, CSOs and private sector actors. The monitoring indicators should integrate new dimensions of the partnership as well as continuing to monitor unfinished commitments made with the Paris Declaration (Kharas, 2012). The monitoring indicators should be practical enough to measure actual outcomes and involve country-specific targets, and as we have learned from the previous framework, they should not be too technical and burdensome to implement, especially to development partner countries.

The global monitoring framework is likely to be the most sensitive issue for the SSC providers (Kindornay and Samy, 2012). Their participation will be on a voluntary basis as indicated in the outcome document, and therefore, the extent of their participation in the monitoring process is unclear. The BRICS have continued to express their concern that the SSC providers should not be reviewed under the same criteria as for the traditional donors. The 10 goals should be recognized as the minimum level¹² the framework suggests to be applied. It is vital for willing donors to take a leading role to make changes beyond the targets and share good practices and lessons. The two-tiered commitment levels can be a first step toward introducing the norms and good practices for effective aid and development for new donors and NGOs (Atwood, 2011; Oxfam, 2012).

Finally, participants at the Busan HLF-4 recognized that political commitment at the highest level is crucial to advance the new Global Partnership. Without strong leadership at the domestic level, the post-Busan process will face great difficulty especially in the

¹²The ten goals/indicators of the Global Partnership for Effective Development Cooperation should be seen as minimum commitments. That is those countries with willingness and capacity should push further and encourage others by sharing their experiences and lessons.

current global financial crisis. The participants also recognized the need to link up with other global institutional processes such as the G20 Summit Meeting and UN's Development Cooperation Forum, which can provide greater momentum toward the new Global Partnership (Kharas and Unger, 2011). It is also important to link the Global Partnership with the establishment of the post-2015 framework to ensure coherence across international efforts (Kindornay and Samy, 2012).

This can empower both donor and partner countries to introduce and promote development cooperation reforms within their respective domestic political arenas. In spite of some remaining challenges, there are reasons for optimism. DAC donors and other providers are now regularly discussing development cooperation issues together, and thus more opportunities for real collaboration and mutual learning lie ahead. New insights, lessons and good practice with respect to the broader range of development cooperation can be shared.

5 SOUTH KOREA'S ROLE IN THE HLF-4 AND POST-HLF-4 PROCESSES

South Korea has brought new energy and insight into the global discourse on development cooperation as the newest member on the OECD/DAC and the host of the HLF-4 in Busan. With its own experience of successfully utilizing foreign aid for poverty reduction and economic development not too long ago, it comes to the global arena with credentials that not many traditional donors have—its history as a recipient of development cooperation from 1945–1995. South Korea's dramatic story of economic development brings hope to many developing countries, which also face the dual challenges of poverty and fragile security (Kim EM *et al.*, 2013). And as an Asian donor, it brings similarities in development cooperation with China and Japan, in which ODA is regarded as part of a larger package of economic assistance along with trade and investment; a strong regional focus of development partners in neighbouring countries in an effort to help build the region's economic basis, and orientation to build the economic infrastructure (Stallings, 2010).

South Korea contributed to the global discourse on development cooperation as an interlocutor between donors and recipients of development cooperation and more broadly between OECD/DAC members and other donors. The South Korean government played an important role in bringing China and other BRICS to the HLF-4 and negotiating behind the scene to obtain their endorsement of the outcome document.

For South Korea to provide a value-added role in the post-Busan process, it needs to do the following. First, it should work hard to keep the political momentum high in the Global Partnership. As noted earlier, the earlier HLF process led to mixed results, and many argued that the lack of sustained political will at the global and national levels was the key. Thus, it would be important for new actors such as South Korea to keep the political momentum high. Second, it should continue to play a bridging role between traditional and emerging donors, and between developing and developed countries, to facilitate a constructive dialogue, and bring synergy, among these different partners. South Korea needs to convince SSC partners that participating in the global forum is advantageous to their own development to keep them engaged. As it will not be easy to agree on common views and approaches that represent the divergent views of the new stakeholders, South Korea should facilitate negotiations by taking advantage of its experience of being in many different shoes.

Finally, most importantly at the global-level, South Korea needs to bring a new perspective into the global development cooperation discourse. Recent research findings show that South

Korea's distinct contribution along with Japan and possibly, China is that these 'Asian' nations view development cooperation as part of a more comprehensive development partnership package including foreign aid, trade and FDI (Stallings, 2010). This refers to viewing foreign aid as a catalyst for bringing about economic development in conjunction with trade and FDI, and in some cases foreign aid was utilized as a precursor to FDI from, and trade opportunities with, the donor (Stallings, 2010). What the Asian donors bring to the table is a concerted paradigm of multiple modalities of support to developing countries that go beyond foreign aid, and that potentially leads to better outcomes in poverty reduction and economic development (Stallings, 2010). This notion of 'comprehensive development' has worked well in Asia, and Stallings (2010) noted that this is quite distinct from how the Western donors have understood and used foreign aid.

6 CONCLUSION

In the face of growing global challenges for global poverty reduction and the role of development cooperation (foreign aid) within it, we have analysed whether the Busan HLF-4 presented a clear paradigm shift from aid effectiveness to development effectiveness. We have found that the shift was only partial with a move toward development effectiveness yet with sustained interest in the aid effectiveness agenda. Although this could be seen as partial failure, we argue this as an important breakthrough since this meant that all the stakeholders at the HLF-4 agreed on the shared principles of the Busan Global Document for Development Cooperation. The inclusiveness of the HLF-4 process and the endorsement of the outcome document by all participants have clearly enhanced the chance that the post-HLF process would become more relevant for a larger share of global development cooperation activities.

The HLF process has shown that strong political momentum is critical for global poverty reduction, and the South Korean government played an important role in keeping this political momentum high during the HLF process. The challenge would be sustain this momentum during the post-HLF process.

In addition, we noted that the Busan HLF-4 and the post-Busan processes have acknowledged the growing role of new actors, and the role played by South Korea signalled that there will be even greater changes in the future. Development cooperation can no longer be dominated by traditional donors only since the global challenges of today are far graver than those we faced at the turn of the new millennium, and we need many actors and fresh action to tackle these challenges. The Busan HLF-4 has brought the traditional donors and new actors together, and we hope they can tackle global poverty in this ever-changing global development cooperation arena. They all need to work together in this complex world because the challenges are grave and global poverty appears to exacerbate in light of new global challenges.

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