

Democratizing Development Co-operation for Policy Coherence

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Background

[The United Nations Declaration on the Right to Development](#) proclaimed the inalienable right to development, declaring that everyone is “entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized.” It established development as a right and put people at the centre of the development process. Under this Declaration, development is seen as a comprehensive process aiming to improve “the well-being of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution” of the resulting benefits.

The Declaration recognizes the right to self-determination and to full sovereignty over natural wealth and resources. People have the right to determine their own social and economic development.

Trust in governments and global institutions to solve global development challenges is plummeting and populism, authoritarianism, protectionism and exclusive nationalism are on the rise (OECD, 2018). OECD countries, most of which have been providing humanitarian and development assistance for more than 60 years, are increasingly looking inwardly to secure their foreign policy interest — In other words, national interest before global stability. These trends are having an impact in the form of declining or stagnating budgetary allocations towards development finance, as well as political narratives and policy priorities that emphasize national interests over support for inclusive and coordinated multilateral engagement for sustainable development.

At the same time, the credibility and relevance of Official Development Assistance (ODA) is being questioned, with diminished the quantity and quality of ODA reaching developing countries. The emphasis is increasingly on using public finance for a catalytic role in mobilizing private development finance and for donor-directed multilateral initiatives, rather than as the main source of funding for a transformative development agenda. More aid resources are being pulled away from the priorities of Southern countries to strengthen urgent demands of a Northern driven agenda, such as climate mitigation, migration control and just energy transitions.

Meanwhile, a number of Least Developing Countries continue to face major challenges while working toward the realization of the Sustainable Development Goals (SDGs). Previously, higher budgetary allocation to social sectors have not resulted in higher or better social outcomes due to failure in taking into account structural reforms and expenditures that are

fundamental in addressing inequalities. On the contrary, poverty levels continue to rise alongside the social tensions.

There is a growing sense that we have reached a pivotal moment for sustainable development: progress is not fast enough; we are leaving far too many people behind and failing to reach the furthest behind. Yet in so many ways, the world is better equipped than ever before to address development challenges. Demand-driven citizen appetite for democratic engagement and development focused leadership and rapid technological changes have created vast opportunities to share knowledge, deliver co-operation more effectively, and design creative solutions to development challenges.

What is needed?

Achieving sustainable development remains one of the main pre-occupations of many global policy actors. This is particularly evident in how countries seek to enable and empower the majority of the population out of poverty. Efforts to improve on service provision through policy reform, better management of resources and good governance point to a global community determined to seek lasting solutions out of poverty. The rapid digitalization of the global economy and everyday social interactions is transforming the future of work worldwide, presenting both opportunities and risks for countries that are less integrated into the global economy.

Fundamental questions are currently being asked about the volume of ODA and the relevance of Development Co-operation. The current use of Development Co-operation to expand donor priorities and influence, continues to undermine the quality of programs and results that target both poverty eradication and inequality in many low income countries.

The global community must therefore take stock of the state of play and impact of Development Co-operation reforms and the expansion as a metric of donor effort for development over the decades. Together we must develop a new narrative to engineer new ODA reforms that guarantee and secure priorities for resources dedicated to poverty eradication, tackling inequalities and supporting country priorities.

The United Nations' 0.7% target for Official Development Assistance has been a longstanding benchmark for developed countries to support global development efforts. It refers to the commitment by economically advanced countries to allocate 0.7% of their Gross National Income (GNI) towards Official Development Assistance to support developing countries. This target was formally adopted by the UN General Assembly as a resolution, encouraging developed nations to reach the 0.7% level "as soon as possible" in 1970. The target was incorporated into the framework for achieving the SDGs in 2015, emphasizing its importance for financing global development.

While the target has been endorsed by many developed countries, only a few nations have consistently met or exceeded it. Based on OECD data, only 15 countries have ever met the 0.7% target since 1960 (Loft and Brien, 2024). Denmark, Norway, Sweden started meeting the target in the 1970s and have continued to meet it in almost every year. Luxembourg

first met the target in 2000 and has since been one of the most generous donors in proportional terms, while Germany met the target in 2016 and has remained close to it since¹. In contrast, major economies like the United States and Japan contribute approximately 0.2–0.3% of GNI, highlighting the disparity in meeting international aid commitments.

France and Belgium met the target in the 1960s, but stopped. Belgium last spent over 0.7% on aid in 1961 (when its total was 0.76%), and France's last year of meeting the target was 1967 (0.71%). The Netherlands appears to have stopped and has not met the target since 2015. The United Kingdom met the target from 2013 until 2021, but reduced aid levels afterwards. In 2005², the EU agreed on a staged plan for reaching the 0.7% target by 2015³ this has not materialized

Official Development Assistance commitments and disbursements are two key measures used to track international aid flows. The magnitude of the gap between commitment and disbursement is now emerging as an area of concern. This is particularly so given the funding crisis in development finance.

The failure of the Development Assistance Committee (DAC) members to meet their commitments over ODA targets needs a different approach. **The world must now call for conversion of the unmet targets into public debts owed to the South.** ODA figures should be calculated and disbursed in the context of solidarity and reparation for ecological debt, climate adaptation, colonialism and neo colonialism. The conversion of the unfulfilled 0.7 GNI target amount to trillions of dollars⁴ to the public coffers of the Global South thereby providing sufficient fiscal space necessary for financing poverty eradication and injecting heavy investment into a just transition.

ODA debts to developing countries also arise from undisbursed ODA provided on concessional terms towards projects that promote development, such as infrastructure, healthcare, education, and poverty reduction. ODA debt is considered more harmful to poverty eradication and development because of its impact on creating resource gap in funding critical areas for development, but also large amounts of undisbursed ODA contributes to the country's overall debt burden if the current levels of 20 – 35 percent are sustained.

In 2025, several major rich countries have announced significant reductions in their ODA budgets, which are expected to have profound impacts on development co-operation

¹ <https://devpolicy.org/stumbling-giant-germany-cuts-aid-20240208/>

² <https://data.consilium.europa.eu/doc/document/ST-9266-2005-INIT/en/pdf>

³ The **European Council in 2005** reaffirmed the collective EU commitment to reach the 0.7% target by **2015**, with differentiated targets for Member States based on their economic situations. This was reconfirmed in **subsequent Council conclusions**, and again in **2015**, when the EU aligned its development policies with the **UN 2030 Agenda for Sustainable Development**

⁴ <https://www.oxfam.org/en/research/50-years-broken-promises?>

trajectory, potentially hindering progress in poverty alleviation, health initiatives, humanitarian assistance worldwide and further slow down the progress towards the achievement of SDGs. The projections suggest that ODA from major donors will fall by a total of US\$74.02 billion.

Many rich countries cite budget deficits and domestic financial pressures to have made it difficult for them to maintain or surpass their current levels. Facts on the ground show a different picture. For example, in 2020 during the COVID-19 crisis, DAC members registered one of the highest numbers of ODA figures, implying the economic growth is not the only determining factor for high levels of ODA. This suggests that economic growth is not the only determining factor for high levels of ODA. Instead, ODA levels tend to increase in response to what donor countries consider a priority based on their own national interests — not necessarily during prosperous times, but whenever those interests are at stake, including during periods of crisis.

There is also a shift of political priorities and domestic issues that are now increasingly taking precedence over foreign aid commitments. **Lack of public education on global solidarity and development** has led to increased public resistance to foreign aid spending, especially during economic downturns or political instability.

Despite these challenges, the United Nations and the developing world continue to advocate for an increased commitment to the 0.7% target as part of achieving the SDGs by 2030. There are also increasing calls for a new governance order that turns commitments into obligations, which become debts owed to the countries of the Global South. These calls demand that accountability, transparency and inclusivity are placed at the centre of how ODA allocation and spending are determined.

To help end these conditions between now and 2030 a change in trajectory for how development commitments are delivered at both national and global levels will be needed. A smarter, more responsive and context-specific humanitarian, development interventions are needed, ones that are focused on reducing poverty, gender and other inequalities. The enormity, and urgency, of the task has to sink in for all actors at the national and global level.

For development co-operation to work for sustainable development, it must evolve from a donor-recipient model **toward a more inclusive and equitable framework with sustainable development at the center of its espoused outcome**. Narrow national and regional interests must be sacrificed for the good of a greater and sustainable planet. **Democratizing development co-operation means** ensuring that all countries and stakeholders—especially those from the Global South and local communities—have a meaningful voice and leadership role in shaping the global development priorities, resources and benefits.

Making Effectiveness Agenda work for Sustainable Development

A sound understanding of aid delivery in Africa must thus be informed by an appreciation of the nature of relationships between donors and governments in Africa. Aside from the agreements in commitments and targets level, the politics of development co-operation designed by donors have always influenced the trends in performance in this agenda regardless of its implication to development. The signing of [Paris Declaration Principles](#) by ministers of finance from around the world and the subsequent adoption of the [Development Effectiveness Agenda](#) have only been implemented to the extent that the OECD DAC members have allowed meaningful action to take root. This has meant that the path towards the implementation of the principal instruments that govern aid and development effectiveness globally, has been chequered with starts and stops, depending on donor priorities. The result is such that the previously stated premise that doubling of ODA required strong and enabling country systems has not materialized.

The last two decades has witnessed the increase in demand for ODA to be delivered with better quality than before. There has also been an increased call for more voice from civil society organisations in development, and the demand for more reforms in the way aid is managed and utilised from both the donor and the recipient. Supported by Monterrey Consensus, the Paris Declaration and later [the Busan partnership agreement](#), there was hope that a new international development partnership architecture could promote, strengthen and deepen sustainable development impact.

In the mid 2000s, the trend in the international aid community promoted aid effectiveness, which included increasing developing nations' ownership over policy and administrative procedures, while strengthening partnerships between governments, aid agencies, and other stakeholders. In this spirit, many donors increasingly channelled funds through a sector-wide approach (SWAp) or a programme-based approach (PBA), providing support to sector policies and expenditure programmes, such as education, health and social safety nets. It also meant that donors would work together to ensure that their support is harmonised and transparent and that aid flows were more predictable. The purpose was to avoid fragmentation of development assistance, to achieve enhanced coordination of financial means and better cooperation. The approach also sought to strengthen the ownership of development programmes of recipient countries by development partners. Donors were expected to base their support on the development strategies, institutions and procedures of partner countries. In this regard, donors were required to strengthen their transparency in aid reporting and ensuring it is accurately reflected in the national budget, and to strengthen connection of aid programmes with country policies and processes for purposes of domestic and horizontal accountability.

However, in the subsequent decade, the Development Effectiveness agenda popularly known as Busan Partnership shifted the result measurement of development co-operation **from aid effectiveness to development effectiveness**. This new approach recognised human rights, decent work, and gender equality, environmental sustainability as the foundation for co-operation and effective development. It identified ownership of development priorities by developing countries, focus on results, inclusive development

partnerships and transparency and accountability to each other as forming the key principles of development co-operation.

Donor efforts remain insufficiently co-ordinated among themselves. Individual donors (public and private) decide separately which country programmes to assist and to what extent, based on their set of values, goals and criteria, shaped by specific contexts and historical relationships and interests. The influence of geopolitical ties and donor self-interest from that of recipient needs and their ability to make use of aid appears to take center stage in Africa. Each donor has their own priorities and incentive framework. DAC membership has collectively failed to invest systematically in processes and procedures for determining where aid is expected to have the most impact and how to arrive at that decision. A 2008 study⁵ using DAC bilateral data found that almost half of the predicted value of aid is determined by donor-specific factors, one-third by needs, a sixth by self-interest and only 2% by performance. Furthermore, multilateral donors impose their own reform programs on countries, giving them no room to manoeuvre but to depend on their pace and approvals for fund disbursements.

For most countries of the South, the development effectiveness agenda, unlike its predecessor, has failed to record any major changes in development co-operation architecture and donor behaviour change at the national level since the launch of the Global Partnership for Effective Development Co-operation (GPEDC). There are no investments at the country level to increase uptake of the effectiveness agenda and strengthen country leadership of the process. For things to change, there has to be a **coherent policy, legal reforms and changes in the operational manual for donor agencies and institutions to reflect the true spirit of the Development Effectiveness principles**. Otherwise, expecting changes only from developing countries when things remain the same on the donor side is to a disservice to the spirit of the Paris and effectiveness principles and the Busan Partnership for Effective Development Co-operation.

A new governance system is necessary

The current ODA governance system is designed to exaggerate the generosity of donors so that they appear to their taxpayers to be more generous than they really are. DAC has developed multiple ruses to overcount ODA. In many cases, donor governments are now scoring amounts massively higher than the sums they are actually spending on development. At least one DAC member is even boasting about this, revealing that it has been scoring more than €5 for each €1 it spends in extending ODA loans⁶. Other estimates show that overcounting of some programmes may be as high as 700% or even 1000% (CONCORD, 2023). In other words, **the rules are designed to exaggerate the generosity of donors**.

⁵ <https://www.gov.uk/research-for-development-outputs/need-merit-or-self-interest-what-determines-the-allocation-of-aid?>

⁶ <https://www.brookings.edu/articles/give-credit-where-credits-due-development-assistance-in-loans-should-reflect-donor-effort>

DAC's concept of ODA has now wandered far away from the intention of the UN targets for ODA, and from anything that developing countries would accept. It has become bloated. The implication of ODA inflation means that least developing countries are saddled with high levels of debt, while taxpayers in the North are hoodwinked into imagining that their generosity is saving least developing countries.

The exclusion of recipient developing countries and the UN in the rule formulation on what constitutes ODA is also baffling. Developing countries do not have a say in what counts as ODA and flow statistics. Since the earliest UNCTAD meetings half a century ago, developing countries as a group have never ratified any of the decisions the DAC has taken in the last decade that have inflated ODA numbers.

For ODA to meet its originally intended objectives of poverty eradication and promotion of economic development, there is a need to establish a fair inclusive and transparent legal and regulatory framework that will produce a new politically independent data system that prioritises and secures the objectives of ODA.

As the only globally mandated body to collect statistics on aid and other resource flows for development, the United Nations under Articles 55-60 of the UN Charter and subsequent General Assembly Resolutions has the obligation to develop a new governance system for ODA where there is full representation of developing countries in the development of rules and regulations on aid architecture. Its main objective should be to restore ODA's credibility towards poverty eradication and enhancing the voice of the South in rule setting. Such a framework should be based on an [United Nations International Development Co-operation Convention](#). Such Convention could help the international community to bring clarity and order to aid architecture, resource flows and climate finance.

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