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In the aftermath of the Fourth High Level Forum in Busan – Reflections on the Effectiveness of Aid

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'Where has the aid money gone?' – was the title of a [Guardian DataBlog](#) article released on January 12th 2012 which analyzed the re-construction efforts, costs and funding of conflict and earthquake shattered Haiti. The matter of concern is worrisome indeed as – echoing the Guardian: 'figures released by the UN special envoy for Haiti show that only 53% of the nearly \$4.5bn pledged for reconstruction projects in 2010 and 2011 has been delivered.'^[1] Looking at the current funding status of latest appeals by all humanitarian organizations, the situation in Haiti seems even more devastating. According to the data collected by the United Nations Office of Humanitarian Affairs ([OCHA](#)) Financial Tracking System ([FTS](#))^[2], only 2% of all funds required in the near future are hitherto covered.^[3] As of February 10, 2012, within OCHA's FTS, Haiti is ranked as the third most underfunded country worldwide in terms of funding appeals and requirements by organization and 'real'

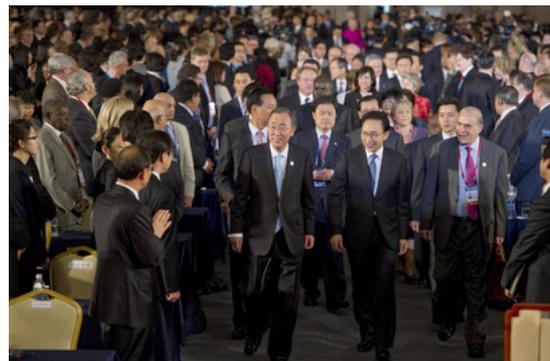
commitments (not pledges) made. Liberia leads the way (0% of all new appeals thus far funded) and is followed by Côte d'Ivoire (only 1% covered).

Strikingly, once aid money has finally reached a country or in fact the aid organization in question; practitioners and experts within and outside the development community are frequently complaining about how inefficiently and inadequately this money is then eventually spent. In her book 'Dead Aid', Dambisa Moyo famously highlighted that over the past fifty years more than US\$ 2 trillion of foreign aid has been transferred from rich countries to poor – Africa being the biggest recipient with no major improvements thus far. Reasons why this financial aid hasn't lead to 'desired outcomes' and has failed to fulfill any 'benchmark' criteria, vary from corruption at all levels to lack of capacities, political will or bad timing – to name but a few. For some authors such as Linda Polman the aid industry *per se* is part of the problem. In her controversial books 'The Crisis Caravan: What's wrong with Humanitarian Aid?' and 'War Games: The Story of Aid and War in Modern Times', Polman criticized how the vast industry of aid agencies and operations can in fact do more harm than good. The case of Sudan serves as one of her prime examples where the military regime benefits almost more from the aid in Darfur than the targeted beneficiaries themselves.

Other experts shifted their focus to the question of *how* aid money could be actually better allocated. For many, the concept of microcredits or direct cash transfers has become more and more convincing in that it shows the potential to reduce poverty in a straightforward and sustainable manner. Put simply and in Joseph Hanlon word's (and also the title of his book): Just give money to the poor.

Effectiveness of aid hence depends largely on the where, how, why, when and how much. This tricky interplay of increasing funds in a financially unstable world while simultaneously tackling all the implementation problems, shaped the Fourth High Level Forum on Aid Effectiveness from 29 November – 1 December 2011 held in Busan, Korea (also known as [HLF-4](#)). About 3000 delegates met to discuss the progress on implementing the principles of the [2005 Paris Declaration on Aid Effectiveness](#). The list of thematic sessions was long, particularly focusing on:

- Ownership and Accountability
- Country Systems
- Aid Fragmentation
- Aid Predictability
- Results
- Capacity Development
- Rights-based approaches
- Fragility and Conflict
- South-South and Triangular Cooperation



– Private Sector

Notably, for the first time Africa (representatives from the [AU](#) and [NEPAD](#)) presented a consensus and position on its Development Effectiveness agenda – certainly an important and crucial step forward.^[4] Yet, only time will show whether the Busan talks will have an impact in improving the quality and delivery of aid beyond numerous briefing papers, key documents, summary reports and speeches. In fact, none of these declarations or high-level reports are de-jure or de-facto binding. Talking about change is one thing, really walking down the road is another. Further, issues which weren't on the official agenda at the HLF-4 include: how to *effectively* minimize corruption (at all levels, thus also within aid organizations), how to avoid aid-dependency and ensure exit strategies (to truly foster local and sustainable ownership of the process), and, how to culturally sensitize approaches towards development (not aid).

In short, the devil lies in the detail and in the particular case of the HLF-4 the detail is in the word 'effectiveness'. The Oxford Dictionary defines the term as 'the degree to which something is successful in producing a desired result'. The crunch question is now – what is a desired result and for whom? In 2000/01, the World Bank published a fascinating book trilogy called '[Voices of the Poor](#)'. In its study, the Bank interviewed in total 60,000 poor women and men in over 50 countries worldwide to gather their views on how to eradicate poverty and improve their lives. What this study successfully accomplished was to compile an extensive account on how poverty and aid is perceived and experienced by the very people it affects. Unfortunately not many follow-up studies have been undertaken since then.

Thus, despite ongoing studies, debates and efforts on how to improve and tackle the major challenges of the aid industry – progress is slow. After all, there is

one aspect even the biggest chunk of aid money can't buy: consistent and coherent political will combined with a more culturally and ethically sensitive approach towards development at global, regional and local levels. In the attempt to measure success and failure and consequently effectiveness, aid has become a depersonalized set of indicators. In other words, when debating and writing about aid effectiveness we all run the risks to sometimes forget for *whom* the aid so urgently is needed for.

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[1] See: <http://www.guardian.co.uk/global-development/datablog/2012/jan/12/haiti-earthquake-aid-money-data>, last visit 4 February 2012

[2] The FTS is a global, real-time database which records all reported international humanitarian aid(including that for NGOs and the Red Cross / Red Crescent Movement, bilateral aid, in-kind aid, and private donations).

[3] Data as of 10 February 2012.

[4] For more details see NEPAD's press release: 'Busan keeps promise on Africa's Development Effectiveness', <http://www.nepad.org/crosscuttingissues/news/2592/busan-keeps-promise-africa-s-development-effectiveness>, last visit 6 February 2012

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