

## **SUMMARY**

**Development aid has been the subject of discussion for some years now. Although there is still widespread support for development aid among the Dutch population, opinion polls have revealed that doubts have increased. The media have also openly questioned the effect of aid, the situation in Africa, in particular, has disappointed many.**

**The WRR has noticed that it is impossible to say anything worthwhile about the importance of development aid on the basis of general opinions on the development of entire continents over the course of the past sixty years. A country's development is determined by many different factors and aid is just one of these. Of at least equal importance are foreign investments, International trade, the funds migrants send back to their country of origin, the presence or absence of financial stability, the price of raw materials on the global market and last, but not least, internal conflicts. Aid, studies have revealed, can – at most – constitute a catalyst for development and even then only under specific conditions. These conditions are commonly only partially met. For example, government bodies in developing countries are often not very effective. Moreover, the group interests of the ruling elites usually play at least as important a role in their decisions as that of public interest. It is hard for donors to deal with this.**

The fact that no unequivocal answer can be provided to the question: 'Does aid help?', also depends on the way in which development aid is provided. A lot of aid is not aimed at development, but at other goals. For example, during the Cold War, aid was often used to keep useful regimes afloat and, during the last two decades, it has primarily focused on improving the primary living conditions of those living in poverty. It is typical that three quarters of Dutch development aid is spent on healthcare and education, and less than a quarter on infrastructure, agriculture and economic activity. It is important to provide social care from a humanitarian perspective, but this does not automatically lead to the fundamental changes which promote growth and development, and which gradually make countries and peoples self-sufficient. The increasing pressure in the media and politics to achieve short-term results slows investments that will only show yields in the long term. And, moreover, aid is extremely fragmented: the average developing country has to deal with 33 donors.

In the meantime, the importance of good development aid has only increased in recent years. For a long time, development aid was primarily viewed as a moral obligation, but now we are increasingly dependent on one another on a global scale it has also become more and more apparent that it is a form of self-evident self-interest to invest in a reasonable life for everyone. Between 1950 and 2050, the world's population will have quadrupled and income per inhabitant will have increased ninefold, if current trends continue. This will put a very heavy burden on the world's social and physical condition. The battle for space, raw materials, energy and food will intensify, particularly when it becomes increasingly apparent that there are limits to these things (in varying degrees). Development aid can play a role in bringing about responsible, sustainable globalisation.

An enormous stack of evaluations has revealed that development aid has a lot of successes and a lot of failures. It is all down to learning from them and using those lessons to improve the quality of development aid. As far as the WRR is concerned there are two lessons which are of paramount importance: development aid must make a more targeted contribution to the development and self-sufficiency of countries and should therefore put less of an emphasis on immediate poverty alleviation, and, development aid should not limit itself to classic aid, but should focus itself more clearly on major, global problems.

### **More development oriented**

The task of making development aid more development oriented implies a substantial change to organisation of development aid in the Netherlands. First of all, this has to become country specific. The history of sixty years of development aid has revealed that large-scale, general schedules are too global; there are no magic bullets. The answer to the question of how to advance development aid varies from country to country. If aid wishes to make a modest contribution to this, good country analyses should constitute the point of departure for policy. That is insufficiently the case at the moment.

A second precondition is for aid to be professionally structured. This implies an own organisation in which, instead of position rotation, expertise is of paramount importance. The best way to do this is to set up an own development organisation in a number of developing countries; the WRR proposes calling this NLAID. A structure with branches per country which constitute an organisational whole, enables the building up of thorough knowledge about the recipient countries and the entering into of long-term relationships, but also the mobilisation of tailor-made expertise from the Netherlands or elsewhere. Moreover, such a structure promotes programmatic working: after all, if you want to improve agriculture you not only need to know about the techniques required to farm the land, but also about buying fertiliser, the conditions Europe imposes on imports, the chance of finding markets for various crops and the organising of local farmers into cooperations which suit them.

Development-targeting aid should, thirdly, be shaped as a learning system and this implies investing in knowledge. At the moment, the Netherlands' knowledge infrastructure in the field of development aid is substandard and is therefore starting to lag behind internationally. Knowledge development should, incidentally, be equally heavily supported in the developing countries themselves – Africa, Asia and perhaps Europe should soon be home to institutions that compete with the World Bank. Finally, focusing on learning also implies the development of a framework of justification which suits the targets set and which clearly provides the opinions of the various local parties involved.

Fourthly, powers of observation are required for the palette of effects of aid in developing countries. Aid can foster dependence and intervenes (for better or worse) in the local balance of power. Continuous reflection on such effects and, if necessary, adjusting the manner in which aid is provided, are therefore crucial. This also requires bidding farewell to annual spending pressures and the introduction of a funding model in which the funds are made available over a longer period of time.

Finally, the improved targeting of aid towards development also requires specialisation and concentration. This puts the added value of Dutch aid first, makes the results of aid more visible and counters the continuing fragmentation of the organisation of aid. First and foremost, specialisation can take place in fields in which the Netherlands excel, obvious choices include agriculture, water, the constitutional state and the combating of HIV/AIDS, but reinforcing civil society or supporting the structuring of regional ties could be eligible. Concentration involves selecting a limited number of countries. In fact no more than ten should be selected in order to guarantee sufficient decisiveness. The majority of these countries will be located in Africa as development and responsible globalisation lags behind most there.

Trying to contribute to development using aid not only touches on the Dutch government's efforts, but also on those of companies, citizens and NGOs. The tools for stimulating the business community to fulfil a development-oriented role require focusing and better use could also be made of the opportunities for the diaspora to promote the development of its country of origin. The consequences are, however, the most dramatic for the NGOs' role. The co-financing system, in which southern NGOs receive funds through western NGOs and whereby it is seen as a boon that western NGOs are present in a large number of countries with a relatively limited number of projects, has reach the end of its life cycle. The use of southern NGOs can, in future, to a great extent be directly controlled by NLAID. Thanks to their specialisation and concentration, western NGOs will then have to substantiate their own added value more emphatically.

### **More wide reaching**

Stimulating targeted development in a limited number of countries will continue to be worthwhile and essential over the coming decades. Simultaneously it is important to start approaching development in a far more wide-reaching manner. Stability and safety, trade conditions that facilitate development, combating tax evasion and a fair tax system which does not entice companies to pay taxes here, instead of in developing countries, less stringent intellectual property rights for poor countries, more productive policy on knowledge exchange and more properly thought out migration policy can all be of more importance to the development of countries than the classical aid provided in situ. The development

perspective will have to be incorporated into the policy better concerning this type of subject. That demands more coherence policy for development.

Furthermore, the care for global public goods such as financial stability, climate policy and the eradication of contagious diseases will become increasingly important.

Not only poor countries, but also rich countries will benefit. The pressure to make global agreements and act globally concerning global public goods will only increase in the future. The principal task is to find ways to structure this globalising world in such a way that the joint interests, on the one hand, and the space for countries and people to substantiate their own futures, on the other, retain their equilibrium.

It is far from easy to substantiate this properly. It is, though, good to emphatically bank on this. This can be achieved by investing in knowledge – a good knowledge network in the field of global issues could be very important. There is also an emphatic assignment for NGOs here as they can draw attention to these matters and draw more explicit attention to the interests of developing countries. The political-administrative attention paid to more wide ranging problems also demands improved organisation. This can be achieved by organisationally lodging the cohesion between matters relevant in this context separately and also translating them into a Dutch globalisation strategy, something that should also be reflected by the adjustment of the Minister for Development Cooperation's portfolio. Moreover, it requires that much more emphatic links be created between the professional departments and the Ministry of Foreign Affairs, in order to prevent this ministry from increasingly becoming an anomaly in a world in which the distinction between national and foreign problems is becoming more and more vague. The ultimate consequence of this approach is also to put the fixation on 0.7 percent of the national income being spent on aid into perspective. It would be better to replace that percentage by a figure which also expresses what the Netherlands does in other fields relevant to development, such as caring for global public goods.

Development aid is and continues to be a difficult activity. There are no simple solutions and successes are definitely not guaranteed. Given the situation in most developing countries, it is worth trying not to become embroiled in corruption, but this is also hard to achieve. Simultaneously, it is definitely possible to contribute to development under the right conditions. In fact, that is increasingly clearly also to our own advantage. 'Less pretentiousness, more ambition' should be Dutch development policy's motto for the coming period.