

Official Development Assistance (ODA) Regime

Lauri Siitonen
Institute of Development Studies,
University of Helsinki
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Governance for development

- n Systemic or regime-level: principles and norms
- n Political: participatory, and/or democratic, government
- n Administrative or managerial efficiency

Regime

- n "implicit or explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations." Krasner, S. D. (1982a): "Structural causes and regime consequences: regimes as intervening variables." *International Organization* 36 (2, Spring): 185-205.
- n Principles
- n Rules
- n Standards
- n Guidelines

Regime Principles

Legitimacy of ODA: the development imperative.	Multilateral treaties.
Scope of ODA: an addition to, but not a substitute for commercial financing.	Multilateral convention.
Aim of ODA: a means to help the poor countries to help themselves.	Unilateral declaration by the donor states.

Regime Principles

- n *Universal Declaration of the Human Rights* of 1948 (United Nations, December 10, 1948).
- n The UN *Declaration on the Granting of Independence to Colonial Countries and Peoples* of 1960. (Resolution 1514 (XV) of December 14, 1960, by the United Nations General Assembly)
- n The UN *Declaration on the Right to Development* of 1986. (Resolution 41/128 of December 4, 1986, by the United Nations General Assembly)

Regime Principles

- n Critics:
 - n 1. "Save the original cultures and their environment from 'development'!"
 - n "Alternative development"
 - n 2. "Aid as imperialism"
 - n 3. Inefficient allocation of public resources, "based on the unfounded feelings of guilt"

Regime Principles: Alternatives

- n Global tax on trade
- n Global tax on non-renewable natural resources
- n Global monetary transaction tax (the Tobin tax)
- n The program for the New International Economic Order (NIEO), 1974

Regime Rules

Burden-sharing <u>Donors</u> should contribute relative to the size of their economies. <u>Recipients</u> have no right to claim for aid.	Convention by the donor states. "Unspoken rule".
Financial terms <u>Donors</u> : Separation of ODA from the private transfers and from the other official transfers. <u>Recipients</u> : Repayment of foreign debt a basic condition for continued aid.	Unilateral declaration by the donor states. Convention by the donor states.
Allocation <u>Donors</u> should allocate aid to the neediest. <u>Recipients</u> should demonstrate their 'development potential'	Multilateral declaration. Convention by the donor states.

Regime Rules: Financial Terms

- n By definition, ODA is official, concessional, and aimed at 'developmental purposes' in 'developing countries'.

Regime Standards

Burden-sharing International target for ODA at 0.7 % of donor GNP.	Multilateral declaration.
Financial terms Grant element target at 86 per cent of total ODA, with higher terms sub-target (90 %) for LDCs.	Unilateral declaration by the donor states.
Allocation International target for the allocation of ODA; at least 0.15 % of donor GNP to the LDC	Multilateral declaration.

International target for ODA

- n Pearson Committee Report (1969)
- n UN General Assembly in 1970: 0.7 %
- Critics to universal standards:
- n Military aid
- n Foreign trade and aid performance

Regime Guidelines

Burden-sharing Preference to multilateral aid.	Convention by the donor states.
Financial terms Bilateral ODA should be offered without tying to the procurement from the donor country.	Convention by the donor states.
Allocation Preference to Sub-Saharan African poor countries.	Multilateral declaration