

## Securing global public goods

# A long and bumpy road

A global foreign policy outlook needs a radically new mindset and new forms of cooperation at the national and international levels. Reaching truly integrated policies will inevitably imply political struggle.

Intentions are one thing, but a properly functioning global strategy is another. Several countries want to design a development policy that meets the challenges of a globalized world. But progress on this front leaves a lot to be desired. This is partly due to discrepancies between good intentions and the priorities of other commitments and interests. But it is also due to the fact that a truly global perspective and its corresponding policies require an entirely new way of thinking and new forms of cooperation at both the national and international levels.

### National policy making for global development

Dealing with the trials of an interdependent world – climate change, resource scarcities, food insecurity, conflict and migration, population issues, inequality, terrorism and financial crises – can never be the sole responsibility of the development ministry or foreign office. Effective policies for global development and global public goods therefore require substantive and innovative cooperation between all sector ministries, as well as with aid departments and the foreign office. This inevitably implies a reshuffling of power between the ministries in terms of the responsibilities and budgets for global issues. All sector ministries must, moreover, embrace a different mindset and learn to prioritize policies that take not only national but also global interests to heart.

### No joint vision

The Spanish government is focusing more on multilateral cooperation. On paper, it has developed a multilateral strategy based on the concept of global public goods. ‘Despite this,’ José Antonio Alonso and Christian Freres, director and research associate at the Instituto Complutense de Estudios Internacionales (ICEI) in Madrid say, ‘the government has not been able to develop a sound global public goods agenda. Even when it has supported that agenda (contributions to the

### summary

- Meeting global challenges requires cross-ministerial cooperation. This means reshuffling power in terms of responsibilities and budgets.
- Three obstacles lie ahead: a lack of shared vision, turf wars over budgets and ineffective coordination structures.
- Competition over budgets between ministries can be solved by providing sector ministries with an international affairs budget specifically earmarked for securing global public goods.
- One way of solving the lack of effective coordination is to set up a global affairs department, led by a dedicated minister or even the prime minister.
- Global governance for public goods is still in its infancy. Government coalitions of front runners can fill the gap as can transnational networks.

Global Fund, for instance) it has done it more from an operative perspective than from a strategic one.’

One important obstacle to involving sector ministries with global engagements is the lack of a vision and strategy that is jointly conceived by all relevant government stakeholders. Alan Matthews, economist at Trinity College Dublin, evaluates the situation in Ireland. He suggests that because the 2006 *White Paper on Irish Aid* – which states that development is an all-of-government commitment – was drawn up by the Department of Foreign Affairs, it is difficult to get the various ministries, such as justice, education, or enterprise and employment, on board.

This is even proving difficult in Sweden, where the Policy for Global Development (PGD) assigns responsibility for its implementation to *all* government offices. Voigt and Wohlgemuth suggest that, to reinforce shared responsibility and to keep the PGD high on the political agenda, it would have been much better if the policy had been anchored in the prime minister’s department instead of in the Ministry of Foreign Affairs. In France the Inter-Ministerial Committee on International Cooperation and Development is chaired by the prime minister. Its secretariat is co-chaired by the Ministry of Foreign Affairs and the Ministry of Finance.

By **Ellen Lammers**, managing editor of *The Broker* and partner of the research bureau WiW – Global Research & Reporting.



HH / Philip Poupin

### **Money, money, money**

A second major obstacle to cooperation for global public goods across ministries is the issue of ‘who pays?’ The in-depth expertise at sector ministries makes them indispensable for solving global issues such as climate change, food insecurity or financial instability. However, they are often reluctant to contribute to such solutions because they do not have budgets earmarked for this purpose. Development ministries, on the other hand, are averse to

cooperating with sector ministries because they do not wish to share their often dwindling budgets.

Shouldn’t development departments start to look beyond their short-sighted fear of ‘losing’ funds to sector ministries? ‘They should think in terms of *strategic* cooperation,’ says Imme Scholz, deputy director of the German Development Institute, ‘and getting a joint message across. If done cleverly, this may help increase budgets for development in the long term.’ Innovative sources of finance must be part of this.

### **Policy coherence and global public goods**

This special report discusses the need for translating a nascent perspective on global development into new policy approaches for global public goods.

Its practical implications are in many ways reminiscent of the ongoing discussion about what was coined ‘policy coherence for development’ (PCD) by the OECD nearly twenty years ago. PCD demands that governments eliminate sector policies that conflict with development goals – no more give with one hand, take with the other – and encourage those that reinforce development.

It is easy to confuse policy coherence with policies for global public goods as discussed in this special report. This is meant to clarify the similarities and differences.

There is an overlap between both goals, but a global development strategy for global public goods takes PCD several steps further. Ensuring policy coherence is a (minimal) condition for achieving a solid national strategy for global public goods, but it is not enough. Progress towards protecting global public goods requires far-reaching

coordination and cooperation – not only at the global level, but first of all between sector ministries and the foreign office within one government.

Sector ministries need to do much more than make sure their policies ‘do no harm’ to poverty reduction goals. They actively devise policies, lead programmes, and probably contribute budgets, to help implement the goals – defined and shared across the full breadth of the government – for global public goods.

Integrated strategies and policies supported and implemented by ministries together are the end goal. As a result, the relationships as they exist today between sector ministries, the foreign office and development departments are likely to undergo fundamental change.

Reaching integrated policies for global public goods will always imply political struggle. On the one hand, PCD strives to defend the interests of the poor worldwide, while, on the other hand, national economic, security, energy, geopolitical and cultural interests are bound to compete with the collective benefits of protecting global public goods.



Germany gives part of the money that is raised by auctioning CO<sub>2</sub> emission certificates to the Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), who use it for mitigation and adaptation programmes in developing countries. Barbara Unmüßig, president of the Green Political Foundation (Heinrich Böll Stiftung), points out that unfortunately the two ministries do not have a joint strategy for these programmes. BMU is obliged to inform BMZ of its programmes in developing countries, but BMZ has no such return obligation. Another inconsistency is that, while BMZ has the bulk of the mitigation money, BMU has the mandate for international climate negotiations.

The Italian government has been looking for sources to boost its aid budget too. New taxes have been regularly proposed for this purpose, including a migrant tax, a weapons tax and a plastic bottle tax, but so far none has been approved.

In the United Kingdom, several cross-departmental policy units – such as the Trade Policy Unit and Stabilisation Unit work with joint budgets. The main advantage of this may well be that a joint budget requires a joint strategy. But there is also a risk, namely, that when trade, climate or security concerns are linked with development issues, the latter get superseded. In that case, the poverty reduction agenda may get fully replaced by the global public goods agenda.

‘Cooperation is necessary for, and warranted by, both agendas,’ says Scholz. ‘But any international cooperation

focused on global public goods will need to reflect that we live in an unequal world if it wants to be effective.’ To ensure this, Inge Kaul recommends in her article on global public goods in issue 20/21 of *The Broker*, that ‘official development assistance and global public goods financing should be separately budgeted and accounted for’. The climate change agenda illustrates the problem (see box).

Another way of solving this dilemma could be to provide each sector ministry with a budget for ‘international affairs’. It can be used by the ministries to support global public goods policies. They will work together in this with the relevant development department or ministry, and the latter will look after the interests of developing countries within these same programmes.

Global climate policies, for instance, will be paid from the international affairs budget of the environment ministry, while a joint strategy with the development ministry stipulates that certain specific elements (climate adaptation measures in developing countries, for example) will be funded by the latter.

However, Christian Freres notes that this does not automatically add up to a coherent global policy. Several ministries in Spain have had their own budgets for international cooperation activities for a long time now. However, intra-governmental coordination continued to be a challenge even after the Spanish Law of Development Cooperation was passed in 1998, which defined the Foreign Ministry as the lead ministry.

‘To summarize,’ says Freres, ‘the fact that other ministries have money does not always contribute to a genuine and solid focus on global development issues. It may just mean that each ministry furthers its own interests and international clientele, if there is not a strong lead ministry which has a clear GPG vision. Neither of those conditions is present in Spain.’

### Development losing out

A possible solution to achieve more comprehensive policies on global public goods is to work with shared budgets across sector ministries. The risk this entails, however, is that development loses out.

For instance, Norway is in an excellent position to address the policy links between climate change and development, given that Erik Solheim is both the minister of international development and the minister of the environment. However, Leiv Lunde, senior staff member at the Ministry of Foreign Affairs, says that ‘the downside of this combined portfolio is that development doesn’t get as much attention as it should’.

Stephan Klasen, from the department of Development Economics at the University of Göttingen, says that in Germany ‘the climate debate is dwarfing the development debate, both in terms of intensity of debate and in terms of funds’.

The British government’s commitment to international climate finance is to be funded jointly by the Department of Energy and Climate Change, the Department for Environment, Food and Rural Affairs and DFID. However, the Institute for Public Policy Research concludes that ‘given the relative positions of these departments, most will probably come from DFID’. The current practice in all European donor countries – which is a breach of international agreements – is that climate finance commitments are taken from the aid budget.

### Coordinating structures

A third obstacle to coordinating global development policies is a lack of, or ineffective, coordinating structures. Iacopo Viciani, policy officer at ActionAid Italy and coordinator of an NGO task force on aid effectiveness, refers to the tricky Italian situation, where full responsibility for development cooperation is in the hands of the Ministry of Foreign Affairs (with no separate minister or secretary of state). ‘This set-up,’ says Viciani, ‘can potentially improve the coherence of Italian foreign policy with global development goals, but it can also turn fully against it. Development cooperation then becomes a tool of realpolitik.’

In Germany, Minister Niebel’s first success was to merge the three existing organizations for technical cooperation into one large organization, the Gesellschaft für Internationale Zusammenarbeit (GIZ).

GIZ is an implementing agency for BMZ, which can be used by all sector ministries that wish to realize programmes in developing countries. The merger received a lot of public attention. ‘It certainly is a step forward in terms of coordination,’ says Unmüßig, ‘but there has been very little talk about what this reorganization means in a qualitative



sense. It doesn't solve the government's lack of a clear conceptual approach to global development.'

So having operational coordinating structures is in itself not enough. Because even if such structures exist – as they do in Germany, the Netherlands, Sweden, France, Norway, Denmark and the United Kingdom – they often lack a sufficient mandate to enforce sector ministries to align their strategies with global development goals, or agree on priorities of interest. Sector ministries want to become involved in foreign policy and international cooperation for all sorts of reasons, and not least because they see developing countries – especially the bigger ones – as interesting markets.

Development departments should see it more and more as their role to ensure that sector ministries take on the perspective of poverty and inequality in their international dealings, rather than see these ministries as competitors. They must acknowledge that the sector ministries are better equipped, and therefore indispensable, to tackle global challenges that need in-depth expertise.

If this proves unrealistic, the only durable solution may be, as Inge Kaul suggests in her article on collective self-interest and global common goods, to set up 'global affairs departments'. This will remove any uncertainty about which ministries should lead the government's international negotiation teams, take responsibility for following up on international commitments or pay for the costs. The global affairs departments could be directed by a dedicated minister, a state secretary under the prime minister, or perhaps even the prime minister himself. Development departments will still have an important role to play alongside the global affairs department. They will safeguard the

interests of the poor, and ensure there is a clear vision for tackling inequality, in the global programmes.

### **International policy making for global development**

'The key to less crisis-prone globalization is to strengthen states' willingness to engage in cross-border cooperation,' says Inge Kaul. Indeed, the provision of global public goods needs to stem from such cooperation and from new forms of global governance. Both face a major obstacle though. Conflicting short-term interests between states hold back effective global governance. Global development is in the collective interest of states, but the efforts needed to provide global public goods often are at odds with other short- and long-term interest of governments, different ministries or, for instance, business lobbies.

Global governance for global public goods is also held back by collective action problems – why should I stick out my neck if I'm not sure that you will too? This problem is particularly difficult to overcome given that there are only a handful of organizations with limited enforcement powers (the World Trade Organization and the Security Council). Most decisions made at the international level are essentially non-binding. Furthermore, many governments are wary of attributing responsibilities to multilateral organizations because they are not convinced of these organizations' effectiveness, or have a hard time convincing their national constituencies of the advantages of multilateralism.

Another problem is that many international organizations represent less and less the actual distribution of power and influence in the year 2010. 'The G-20 did away with the G-8,' says Jan Egeland, director of the Norwegian Institute of





Alamy / Mike Goldwater

International Affairs and former head of the UN Office for the Coordination of Humanitarian Affairs, 'because it was so completely unrepresentative of the real world.'

Reforming the Bretton Woods and UN organizations is unavoidable for the same reason. 'In 2005,' Egeland says, 'Kofi Annan tried to facilitate a process of Security Council reform. And of course the Security Council has to be reformed and expanded. Its membership reflects who won and who lost the Second World War. But who cares about that today? It is only natural that India, Japan, Germany, Brazil, Nigeria, South Africa and Indonesia would join the Security Council. The very fact that the world powers could not agree on this reform is a bad omen for international cooperation. We are further away from solving this in 2011 than we were in 2005. To me this is a time bomb. Soon India will be the most populous country in the world and yet three European countries have permanent seats in the Security Council, countries with populations the size of an Indian province.'

And he adds: 'It is a big mistake to think that,' as many European countries still tend to do, 'when we have consulted with Brussels, Washington, London, Paris and the UN headquarters, and everyone agrees, the deal is done'. The battle in Copenhagen in December 2009 was a wake-up call in that sense. The summit failed because the West and the UN secretariats had not consulted well enough with the new and emerging powers.' (For the full interview with Jan Egeland, see [www.thebrokeronline.eu](http://www.thebrokeronline.eu))

#### ***Coalitions of front runners***

As long as comprehensive global governance is not yet in place, the best way to avoid inaction on pressing global issues

may be to form ad hoc international 'coalitions of front runners' on an issue-to-issue basis. This would allow individual countries to take a leading international role on a given issue, meanwhile lobbying other governments and civil society organizations to join the initiative. This could lead to a useful division of labour based on expertise and commitment.

President Barack Obama cited 'partnering with countries willing to take the lead' as the second element of the new US Global Development Policy in his speech at the Millennium Development Goals summit in New York in September 2010. An example of this is the role Norway and Canada have played in advocating disarmament. Both countries were closely involved with initiatives to combat the use of land mines, cluster bombs and handguns worldwide. The Mine Ban Treaty (also called the Ottawa Convention) was adopted in Oslo, Norway, in 1997 and came into force in 1999.

Norway's self-image as an 'international peacemaker' spurred it to take on a leading role in these initiatives, and contributed to its number one ranking on the Global Peace Index. In a similar way, The Netherlands is well placed as a delta nation to play a leading role in international water management, which it has done for many years.

The Dutch right-wing government, which assumed office in October 2010, has distinguished water as one of its policy priorities for international development and has allocated an additional 30 million euros for the intensification of its programmes. 'This is a considerable amount in these times of budget cuts,' says Karin Roelofs, head of the environment and water division at the Ministry of Foreign affairs.

Roelofs explains that the Dutch Directorate-General for International Cooperation, the Ministry of Economic Affairs,

Agriculture and Innovation, and the Ministry of Infrastructure and Environment will cooperate in the further development of new programmes.

Crosscutting themes such as water, food and environment, and water and security, will be part of these programmes. The Netherlands Water Partnership, which brings together private companies, government, knowledge institutes and NGOs with expertise in the water sector, is an important partner in the design and implementation of new activities.

France – which can bank on a history of governments, regardless of their ideological persuasion, that are highly independent and critical of the financial sector – has drawn attention to itself as a champion of innovative financing for development and for introducing a global financial transaction tax (see financial stability box).

Alliances can also develop more accidentally. For instance, Norway is interested in establishing a new alliance in the field of global health, encouraged by the fact that Jonas Gahr Støre before becoming foreign minister had high positions at the Red Cross and WHO. And the Obama administration launched the Global Health Initiative in 2010.

#### **Beyond governments**

Most new initiatives, moreover, show that governments cannot find the solutions to global problems on their own. This is the result of two changes. On the one hand, there is a proliferation of new networks of NGOs, private groups and local organizations that have a global outreach and that network independently of states. On the other hand, and as a result of this, Jan Egeland says, ‘The formal Foreign Service, just as much as the formal intergovernmental organizations, have a waning influence on international affairs.’

The impact of these changes, Egeland argues, is mixed. ‘It is very positive and powerful in as far as globalism enables citizens and associations to go anywhere, and link up with anybody, globally. At the same time, globalization has spurred a strong undercurrent that goes in the direction of more chauvinism and nationalism, more Islamophobia and anti-Semitism, and increasing tensions between the West and the rest.’

To address the new reality of declining state influence and the increasing power of transnational networks, the US State Department is in the process of ‘modernizing the way it conceives of public diplomacy’, writes Hillary Clinton. ‘The original Foreign Service, as its name implies, consisted of people trained to manage US relations with foreign states, principally through consultations with their counterparts in government ... But increasingly global interconnectedness now necessitates reaching beyond governments to citizens directly ... We can leverage civilian power by connecting businesses, philanthropists, and citizens’ groups with partner governments to perform tasks that governments alone cannot.’

Indeed, the goal of global development asks that new coalitions are forged with civil society organizations and new global governance structures devised in order to create the necessary global standards and to ensure concerted action for the benefit of all.

#### **Leaders in food security**

**Spain** wants to take on a lead role in the area of global food security. It has promoted the International Alliance Against Hunger and hosted the high-level event ‘Food Security for All’ in Madrid in January 2009. Spain is one of the five founding donors of the The Global Agriculture and Food Security Program (GAFSP), which was created to help deal with some of the US\$22 billion in pledges made by G-8 leaders at their meeting in L’Aquila in July 2009. The other four founding donors are **Canada**, **South Korea**, the **United States** and the Bill & Melinda Gates Foundation. Together they have pledged nearly US\$900 million to the new global fund.

In addition to being a founding donor of GAFSP, the **United States** launched its ‘Feed the Future’ initiative, reflecting the Obama administration’s stated commitment to global food security.

**The Netherlands** is also stepping up its activities in this area. Food security is one of the new priorities of the Dutch Directorate-General for International Cooperation since the new right-wing government assumed office. The Netherlands’ intention to become international leaders in food security is supported by a significantly increased budget. The directorate, which is part of the Ministry of Foreign Affairs, will work on this initiative in close cooperation with the new Ministry of Economic Affairs, Agriculture and Innovation. Efforts will concentrate on Africa.

In the **United Kingdom**, the Department for Environment, Food and Rural Affairs and DFID sponsored a major Foresight research programme together on Global Food and Farming Futures. The project researched the major forces expected to impact the global food system between now and 2050 and was directed by the Chief Scientific Adviser to the UK government. The results were presented in January 2011.

#### **Leaders in financial stability and global taxes**

The Leading Group on Innovative Financing for Development, an initiative that now consists of 63 country members, international organizations and NGOs, is pressing for an international financial transaction tax (FTT). The revenues would be used for global development goals.

**France**, which has played a key role in promoting innovative financing, is a particularly strong backer of the initiative. It fits with President Nicolas Sarkozy’s ambitious G-20/G-8 agenda, which is presented as an attempt to redress global economic imbalances. Prime Minister José Luis Rodríguez Zapatero of **Spain** has also expressed support for an FTT that would ‘be integrated into the global framework of reforms of the financial system’.

Zapatero said at the Millennium Development Goals Summit held in September 2010 that if ‘we want effective global governance [and] shared responsibility in the face of global challenges like the battle against poverty, then we also need a system of global incomes’. Other supporters are the **United Kingdom**, **Japan**, **Norway** and **Brazil**. Just before the climate conference at Cancun, a High-Level Advisory Group on Climate Change Financing, commissioned by UN Secretary-General Ban Ki-moon, suggested that 25-50% of revenues from a global financial transaction tax be directed to climate change adaptation and mitigation initiatives in developing countries.

## The risks of self-interest

There has been a change in the discourse of development policy in many European countries. Increasingly, it is revealing an unabashed emphasis on self-interest, usually phrased as ‘enlightened self-interest’. This emphasis helps governments to sell the international cooperation agenda to sceptical constituencies, especially in times of economic uncertainty at home. But it is also a reflection of the increasing awareness that we do indeed live in an interdependent world, where global problems have local impacts and vice versa. And that this is true whether one lives in Boston, Bukavu, Brussels or Bangalore.

‘Globalization brings the impact of conflicts elsewhere in the world onto our doorsteps,’ said the Norwegian Minister of Foreign Affairs Jonas Gahr Støre at the Oslo Forum on 15 June 2010. Norway’s 2009 foreign policy white paper speaks of the ‘*extended* (national) interests’ of Norway – national interests, that is, which are embedded in Norway’s broad ‘commitment policy’ with the wider world.

The titles of the latest white papers from the United Kingdom, *Our Common Future*, and Germany, *Auf dem Weg in die eine Welt*, as well as the US Presidential Policy Directive on Global Development, revealed a similar awareness. However, even if a consciousness of global shared interests between countries is essentially good, it is only a start. The crucial question is how self-interest is defined: as a

short-term economic or (geo)political interest, or as a long-term interest in being part of a stable and safe, equal and sustainable world society?

In several countries – such as Germany, Denmark, the Netherlands, Switzerland and Italy – the discourse of self-interest may prove primarily a convenient stepping stone for increasing domestic private sector involvement in development efforts – often without the transparency of purpose and impact that such a choice warrants. The new UK coalition government did not hesitate to announce that from now on aid efforts should make the maximum possible contribution to national security. In other words, enlightened self-interest is a slippery and concealing notion.

The confusion of interests inherent in a global outlook, moreover, could potentially be used as an excuse to gradually push the needs of the poorest in international policy making into the background. The 2010 report by the Dutch Scientific Council for Government Policy, *Less Pretension, More Ambition*, says as much. ‘The fear that the interests of the least fortunate will be suppressed in the wider power struggle is not unrealistic. The greater the need to tackle issues at a global level, the more individuals “on the ground” are likely to be set adrift.’ Therefore, all countries should take a hard and honest look at whose interests exactly are served, long-term, by international cooperation for global public goods. ■

## THE BROKER

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