DAC and Non-DAC

-Soft Law as the Foundation for Collaboration?

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List of Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>DAG</td>
<td>Development Assistance Group</td>
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<td>UN-DCF</td>
<td>The United Nations Development Cooperation Forum</td>
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<tr>
<td>ECOSOC</td>
<td>Economic and Social Council</td>
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<td>EU</td>
<td>The European Union</td>
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<td>HLF</td>
<td>High Level Forum on Aid Effectiveness</td>
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<td>MDGs</td>
<td>Millennium development Goals</td>
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<td>Non-DAC</td>
<td>Non-DAC Donors</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
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<td>OECEC</td>
<td>The organisation for European Economic Cooperation</td>
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<td>OPEC</td>
<td>The Organization of the Petroleum Exporting Countries</td>
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<td>SSC</td>
<td>South-South Cooperation</td>
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<td>SSDC</td>
<td>South-South Development Cooperation</td>
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<td>UN</td>
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Abstract

The current aid architecture is characterized by diversity and complexity. There have been determined targets and commitments to improve development assistance, nonetheless with weak results. Concurrently, donors of the Development Assistance Committee (DAC) and the rising donors beyond DAC (Non-DAC) deliver development assistance without further collaboration or communication, which results in fragmentation. Therefore, this thesis assesses the prospects for engagement of Non-DAC in DAC as well as if soft law could be the foundation for collaboration, with focus on diversity, engagement, and incentives. This will be realized by using a theoretical framework based on a wider discussion about global governance and assumptions about soft law as being a tool of compromise. The results of this study indicate that there are both challenges and possibilities in relation to the three aspects of focus. However, soft law appears to have the capacity to facilitate, manage and embrace these and could thereby constitute a foundation for collaboration.

Key words: DAC, Non-DAC, Aid architecture, Collaboration, Soft law
Words: 10067
# Table of contents

1 Introduction .................................................................................................................. 1
  1.1 Purpose and Research Questions .............................................................................. 3
  1.2 Significance of Study ................................................................................................. 3
  1.3 Method ...................................................................................................................... 4
  1.4 Material .................................................................................................................... 5
  1.5 Terminology and Definitions .................................................................................... 6
    1.5.1 Aid, Development Assistance or Development Cooperation? ......................... 6
    1.5.2 Non-DAC .............................................................................................................. 7
  1.6 Disposition ............................................................................................................... 8

2 Global Governance and Soft Law ............................................................................. 9
  2.1 Soft Global Governance? ....................................................................................... 9
  2.2 Soft Law as a Tool of Compromise ....................................................................... 10
  2.3 The Aid Architecture: A System of Global Governance Based on Soft Law .......... 11
  2.4 Divergent Voices about the Aid Architecture ....................................................... 13
  2.5 Concluding Remarks ............................................................................................. 14

3 DAC and Non-DAC: Diversity, Engagement and Incentives ........................................ 15
  3.1 Soft Law as a Tool of Compromise: Diverse Donors, Diverse Development Assistance ........................................................................................................... 15
  3.2 Soft Law as a Tool of Compromise over Time: DAC Engagement with Non-DAC .... 17
  3.3 Soft Law as a Tool of Compromise between Strong and Weak: Incentives .......... 19
  3.4 Concluding Remarks: Soft Law as a Tool of Compromise and Foundation for Collaboration? .................................................................................................................. 21

4 Other Forum Needed? ............................................................................................... 22
  4.1 Concluding Remarks ............................................................................................. 23

5 Conclusion: Challenges, Possibilities, and soft law as a foundation for collaboration? ............................................................................................................................... 24

6 References ................................................................................................................... 25
1 Introduction

The world is presently characterised by interdependence and interconnectedness. Therefore, global governance institutions are needed in order to handle these global issues through flexible governance mechanisms (Boughton & Bradford 2007: 11). This can be realized through different forms of soft law that are non-binding in character and more flexible and adaptive than hard law. It can be seen as a tool of compromise (Abbot & Snidal 2000). The institutions and actors active in development assistance coordination constitute one case within this broader area of global governance.

To begin, the end of the Second World War marks the beginning of the institutionalisation of aid, which thereafter has changed and developed over time. In 1948, the Organisation of European Economic Cooperation (OEEC) was established in order to manage the Marshall plan aid to Europe. The positive achievements of this financial recovery program meant that numerous Western countries then turned their attention to developing countries. The Development Assistance Group (DAG) was created to manage this. In 1961, the OEEC were converted into the Organisation for Economic Co-Operation and Development (OECD) and the Development Assistance Committee (DAC) was founded within OECD with the objective to coordinate development assistance to developing countries (Degnbol-Martinussen & Engberg-Pedersen 2003: 8-9, Stokke 2009: 7, 303). Since then, the established institutions of DAC have dominated the aid architecture through shared norms, principles, and measuring systems (Kim & Lightfoot 2011: 712). Today, DAC consists of 24 members1, which mainly are Western donors (OECD 2012).

The context, in which DAC is active and a part of, is often referred to as the international aid architecture. This can be described as the institutions and systems that manage the provision and management of aid as well as the donors that govern these organisations (Brown & Morton 2008: 2). The last decade, the aid architecture has experienced new challenges and opportunities. To begin, commitments and targets such as the Paris Declaration on aid effectiveness and the Millennium Development Goals (MDGs) have been agreed upon but weak or uneven results have been seen. At the same time, a rapid rise of Non-DAC Donors (hereafter Non-DAC) has been seen within the aid architecture. This has resulted in both new concerns and opportunities. Most Non-DAC are not new, but have

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1 DAC Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea (Member since 2010), Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Union
not had the financial capacity, until now, to properly engage in development assistance. China, India, Brazil and South Africa belong to this group of donors and have gained a lot of attention, both from DAC and scholars. The reason is that they are growing economies with the potential to further contribute but at the same time they diverge and take distance from DAC structures and standards.

They are developing countries providing development assistance to other developing countries, so-called ‘South-South Cooperation’ (SSC) (Zimmermann & Smith 2011: 724-727, 730, Kragelund 2008: 567-569).

This diversity of donors, activities and approaches has resulted in an even more fragmented and complex aid architecture. The last decade, DAC have increased their efforts to engage Non-DAC but in general they still work parallel with only modest communication or collaboration. The High Level Forums (HLF) on aid effectiveness has been the major efforts to reform and improve the aid architecture but vague outcomes have been seen (Davies 2008: 6). DAC is the established organisation, but the new United Nations Development Cooperation Forum (UN-DCF) has been discussed as a possible alternative space, since the organisation has the capacity to gather all actors (UN-DCF 2012). “This new dynamic highlights the need for new thinking and restructuring of international, including multilateral, dialogues on aid and development cooperation so that they incorporate and fully reflect the practices and experiences of all development cooperation partners” (Davies 2011: 73). There is a need and demand for increased collaboration. The lack of it causes severe problems in recipient countries that could undermine the effectiveness of aid and development (Chandy & Kharas 2011: 741, Kindornay & Besada 2011: 38).

Making the most of the opportunities and addressing the challenges are the concerns of all stakeholders engaged in development assistance in order to ensure a common strategy to achieve the MDGs. In particular, building bridges between development partners is essential for making development assistance effective in responding to shared global challenges (Davies 2010: 17).

This diverse and complex landscape results in that the aid architecture stands before a fundamental choice of path. There is agreement both within the literature and by actors involved that adaption and transformation is necessary, but the opinions diverge and are vague when it comes to where and how this will happen.
1.1 Purpose and Research Questions

This thesis will provide an assessment of the present situation and conditions within the aid architecture. The purpose is to examine the prospects for further collaboration between DAC and Non-DAC in terms of diversity, engagement and incentives with focus on soft law as a tool of compromise. More specifically, I aim to assess the challenges and possibilities to engage Non-DAC in DAC and if soft law could be a possible foundation for collaboration. Accordingly, the research questions guiding this thesis are: What are the challenges and possibilities for engagement of Non-DAC in DAC? Could soft law be the foundation for collaboration?

1.2 Significance of Study

The significance of this thesis can be motivated both from a scientific and social point of view. From a scientific point of departure, this focus is of relevance to study since it still is in its infancy in terms of research. This depends on the contemporary and dynamic status of this research problem. The literature concerned with donors mainly focuses on donors-recipient relations in relation to the aid effectiveness debate, while there is modest emphasis levelled at donor-donor structures, which is what I aim to address.

At the same time, there is also an on-going debate and discussion about the viability of the current aid architecture and alternative forums. However, these aspects are rarely analysed or discussed in-depth. Therefore, this highlights the relevance of this research and gives reason for addressing the challenges and possibilities for engagement of Non-DAC in DAC structures from a scientific point of view. Further, I will add another aspect, namely the possibility of soft law as a tool of compromise and a foundation for collaboration.

Furthermore, this subject it is also of significance to study due to several wider social reasons. To begin, numerous developing countries are still experiencing widespread poverty and the targets of the MDGs have so far been unevenly achieved (Kharas et al. 2011: 1). The united contributions of all donors is needed to change this but development assistance from Non-DAC increases but are not maximised due to the complex relations, lack of communication and structural organisations of the current aid architecture (Park 2011: 38-39).

In order to “maximize the benefits of diversity and ensure a common strategy for combating poverty and addressing the crises and challenges of this century” the current conditions within the aid architecture demand improved cooperation
and sharing of experiences (Davies 2011: 73). Therefore, it is of significance to address the prospects for engagement of Non-DAC in DAC and see if soft law as a tool of compromise could be the foundation.

1.3 Method

This thesis will be conducted as a desktop study based on a combination of different secondary sources. It will be a case study of the DAC in relation to Non-DAC, which is a case of international aid coordination that could be placed within the broader field of global governance.

According to Punch, the objective of a case study is to understand the case in-depth in its natural setting in order to recognize the complexity and the wider context (Punch 2005: 144, Bryman 2008: 54, 61). I aim to identify and convey a ‘thick description’ of this research problem, which will be realized through in-depth information about the context and the phenomenon in focus (Punch 2005: 186-187). Case studies are often criticized in terms of its generalizability. However, in most cases the objective is not to generalize, but rather to understand the case in its complexity, context, and entirety. Nevertheless, some factors may be possible to generalize, especially if it is an “exemplifying” case as discussed further in the next section (Punch 2005: 145-146).

In order to address the research questions the theoretical framework of this thesis will include two interrelated areas. These have been chosen since this specific focus should be seen as one aspect within the larger debate within global governance. Further, soft law was chosen since DAC is governed through soft law. Moreover, soft law are claimed to be a good instrument in areas of complexity and diversity, which is the case in the aid architecture.

To begin, a broader discussion about global governance will be presented that identifies law and control as significant aspects in international organisations. However, this broader discussion about global governance only constitutes one dimension within an extensive area of research and therefore I have chosen to select some authors that address global governance more generally. This will mainly be applied to and discussed in relation to the aid architecture.

This is then followed by a discussion of soft law as a tool of compromise. Three assumptions will be of focus and guide the analysis. These are presented and discussed by Abbot & Snidal (2000) in their article “Hard and soft Law in International Governance”. These are: soft law as a tool of compromise, soft law as a tool of compromise over time and soft law as a tool of compromise between weak and strong. Accordingly, the area of soft law also belongs to a wide area of research with numerous dimensions and perspectives. However, I have decided to use the arguments and assumptions identified and developed by Abbott & Snidal since these focus on the issue of compromise which is relevant in this case, as the aid architecture is characterised by diverse actors and complexity.
1.4 Material

This thesis will be based on different kinds of documentary sources such as academic literature, reports, policy oriented material as well as documents from the public domain.

In order to select material, choices about sampling have been made during different stages in this research process. This means that both the choice of material and the selection within that material as well as the case have been chosen with a purpose or focus in mind. This is often referred to as ‘purposive sampling’ (Punch 2005: 187-188, Flick 2009: 115).

DAC in relation to Non-DAC was chosen since it constitutes an “exemplifying” case. In this case, DAC could be said to exemplify a wider category of which it is a member, such as other interstate global governance institutions. This relation (DAC and Non-DAC) also exemplifies traditional relations of developed and developing countries (Bryman 2008: 56). However, DAC is a large organisation within the OECD that has an even broader agenda. Therefore, this thesis will only focus on DAC that is characterized by its members and established standards and principles, in relation to the prospects of engagement of Non-DAC. This will be realized by looking at the diversity in development assistance, the efforts for engagement and incentives for Non-DAC as these are main areas of relevance for possible collaboration.

When using documentary sources as the foundation for analysis it is crucial to be aware of and take into consideration that the majority of the material are written with a purpose and levelled at certain audiences, as well as it can be influenced by personal opinions. In terms of academic literature, it is crucial to be aware of author’s perspectives, which can influence the material. The same refers to reports, working papers, and public domain documents that also are likely to represent the standpoints of the organisation responsible.

One general discussion to take into consideration when using documents as sources is the reality of documents. Documents could be treated as displays onto organizational and social realities, consequently, representing the reality. However, critique has been levelled against this view. Bryman states ”documents should be viewed as a distinct level of ’reality’ in their own right” (Bryman 2008: 526). This implies that documents should be assessed with consideration and awareness of the context in which they were produced as well as the aimed audience (Bryman 2008: 526-527). This is because the meaning of documents depends on where they are used, by whom, and to whom they are levelled. Lastly, it is also crucial to examine documents in relation to other documents since it is often connected (Flick 2009: 257).
In order to address these challenges I will attempt to treat the materials for what they are. This means that awareness and consideration of above discussed are kept in mind when using the materials and writing this thesis. The selection of material as well as the interpretation and analysis will be made in a neutral manner as far as possible and with awareness of the strengths and weaknesses of the material. Further, it is also crucial to use a combination of different materials deriving from different sources, in order to gain a nuanced view. This will be done in this thesis.

1.5 Terminology and Definitions

In this section, the label and definition of aid will be briefly discussed and clarified. Then, the label of Non-DAC as well as categorizations within this broad concept will be considered.

1.5.1 Aid, Development Assistance or Development Cooperation?

At present, the definition of aid varies as well as the terminology. Aid, development assistance and development cooperation are all terminologies used to refer to aid. The central definition was adopted in 1969 by OECD/DAC and has thereafter been modified. It is referred to as Official Development Assistance (ODA)² and it is the most commonly used definition today (Kragelund 2011: 588).

However, with the changing landscape and the rise of donors beyond DAC, this definition is not in accordance with development assistance from all Non-DAC. They often provide aid as “packages” with a mix of different financial flows, which in most cases does not count as ODA, as they mix concessional and commercial directed flows (Bräutigam 2011: 753,757).

With this dual difficulty regarding the definition and the terminology of aid, I will hereafter use the concept development assistance as an umbrella term for aid. This will refer to all flows of aid, both in accordance to the definition of ODA as well as other mixed ‘packages’ provided by Non-DAC. Otherwise, the explicit concept of ODA will be used when necessary to differentiate the aid between the donors.

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² ODA is flows to countries and territories on the DAC list of ODA recipients and to multilateral institutions, which have to be provided by official agencies, have the main objective to promote economic development and welfare in developing countries and have to be concessional in character and conveys a grant element of at least 25 per cent (using a fixed 10 per cent rate of discount) (OECD 2003).
1.5.2 Non-DAC

Regarding the Non-DAC, there are also some clarifications needed concerning terminology and divisions, as it constitutes a diverse group of donors.

To begin, the majority of the so-called new or emerging donors are not new. In fact, numerous Non-DAC have been active donors since the 1960s, such as China and India (Manning 2006, Paulo & Reisen 2010 and Woods 2008). Thereby, this label is misleading. Kragelund (2011) refers to non-traditional donors while Paulo & Reisen (2010) and Kragelund (2008) instead refer to the “re-emerging” donors. Moreover, the majority of the literature uses the concept Non-DAC Donors (Non-DAC). However, this label is also problematic since different subdivisions are made and it describes these donors based on what they are not. Nevertheless, for the simplicity, Non-DAC is the label that will be used in this thesis.

Kragelund (2008) make four divisions within Non-DAC that are based on donor countries membership in European Union (EU) or/and OECD, or neither. Group I-III are members of EU or OECD or both. The majority already adhere to DAC standards and are likely to merge with DAC over time. Therefore, these donors will not be of focus in this thesis. However, the last group of donors are neither members of EU nor OECD and are separated as South-South Cooperation providers (SSC) and The Organization of the Petroleum Exporting Countries (OPEC). The OPEC donors constitute an area of its own to be studied separately and will therefore not be discussed in this thesis (Kragelund 2008: 559-562, 567-569). Zimmermann & Smith instead divides actors from beyond the DAC into three groups based on their characteristics and levels of convergence or divergence with DAC standards. ‘Emerging donors’, ‘Arab donors’ and the last group, which he calls South-South Development Co-operation (SSDC) (Zimmermann & Smith 2011: 724-727, 730).

The focus in this thesis will be on the Non-DAC that stand out and diverge from DAC. Therefore, providers of SSC as Kragelund (2008) refers to, which are synonymous to the SSDC that Zimmermann & Smith (2011) discuss are the donors in focus in this thesis. These will be referred to as Non-DAC as one group of donors. Otherwise, individual donors will be referred to specifically.

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3 SSC donors: Venezuela, Brazil, Cuba, China, India, Taiwan, Thailand, Russia, South Africa (Kragelund 2008: 568-569)
4 Four major SSDC providers: Brazil, China, India, South Africa (Zimmermann & Smith 2011: 727)
1.6 Disposition

This thesis proceeds in six parts in order to answer the stated research questions. This chapter have introduced and presented the topic as well as the purpose and research questions. Then, the method and material as well as terminology have been discussed.

Thereafter, the second chapter will present the theoretical framework of this thesis, which is placed within the broader discussion of global governance and soft law as a tool of compromise. This is discussed in relation to the existing aid architecture and the scholarly debate regarding this is also presented.

Then, the third chapter addresses and analyses the issues of diverse donors and development assistance, DAC efforts to engage with Non-DAC and incentives for Non-DAC to engage in DAC. This will be discussed based on the assumption of soft law as a tool of compromise.

Following this, the fifth chapter will provide a discussion of the prospects of the new United Nations Development Cooperation Forum (UN-DCF), seen as one alternative-coordinating forum within the aid architecture.

Lastly, in the sixth chapter this thesis will be summarized and concluded in accordance with the aim and research questions.
2 Global Governance and Soft Law

This chapter will present and discuss the theoretical framework of this thesis. It involves two interrelated areas, global governance and soft law. This includes a broader and more general discussion about global governance that will be connected to the arguments regarding soft law being a desirable tool of compromise in global institutions. This will then be discussed in relation to the existing aid architecture in order to identify the context. Then, the diverging voices within the scholarly debate will be presented.

2.1 Soft Global Governance?

The world is becoming increasingly interdependent and interrelated as global issues affect all. At present, global issues and challenges such as widespread poverty, diseases, the environment, and financial crises are threatening the world and increased coordination is needed and demanded (Boughton & Bradford 2007: 11).

Rosenau states that the contemporary world is characterized by a disaggregation of authority that problematizes the capacity to handle internal and external challenges in a coherent way. These conditions demand new sorts of global governance that work above the state and across borders (Rosenau 2009a: 4, Rosenau 2009b: 9-10). Global governance is often referred to as “governance without world government”. That means coordinated problem-solving arrangements on a global level. “Global governance thus signify the complex of formal and informal institutions, mechanisms, relationships, and processes between and among states, market, citizens, and organizations [...] through which collective interests are articulated, rights and obligations are established, and differences are mediated” (Ramesh & Van Langenhove 2006: 233-234).

Boughton & Bradford continues to argue that the present international system is highly fragmented, since it is composed of numerous institutions, agencies and actors with specific mandates and functions on different global levels. Therefore, a global system with transformed institutions and governance mechanisms that can handle diverse actors and resources in a unified way are essential and desirable (Boughton & Bradford 2007: 14).

Furthermore, the process of governance is the procedure whereby an organization or society steers itself, and the dynamics of communication and control are central to that process (Rosenau 2009b: 8-9). Control is an important tool of governance since that creates a system of rule. This is also true for global governance. The aim of control is to influence the behaviour of actors. The
changing environment and the increase of global institutions have resulted in that new control and governance mechanisms have arisen (Rosenau 2009b: 9, 10-12). Rules in terms of laws, norms, or codes of best practice are soft mechanisms often used to steer and control the actors involved in global systems (Weiss & Kamran 2009: 70).

Abbott & Snidal continuous and states that control can be realized through either soft or hard law. Hard law is referred to as legally binding obligations that are controlled by a delegated authority that interpret and implement the laws. This is used in some international institutions, but the majority of global institutions exercise some level of soft law, which refers to non binding agreements such as codes of conducts, recommendations, agreements and other systems of compliance. Further, softer legalization is often easier to achieve than hard in areas of complexity and diversity (Abbott & Snidal 2000: 421, 435, 440, 444).

Abbott & Snidal continuous to argue that international actors and institutions chose soft law to hard law because soft law offers more advantageous institutional solutions compared to hard law in terms of reduced costs and effective management of uncertainty. Soft law regulations have lower contracting costs than hard law; since these processes are more complex when legally binding texts are to be produced (Abbott & Snidal 2000: 421, 423, 434).

Consequently, there are also weaknesses associated with soft law. The major challenge is that it is more problematic to determine if states fulfil their commitments and responsibilities. “States face a tradeoff between the advantages of flexibility in achieving agreements and its disadvantages in ensuring performance.” Nevertheless, this can be solved through some kind of evaluation or reporting system, which is common when soft law, is used (Abbott & Snidal 2000: 446). If systems of soft law are to succeed, a minimum of compliance is necessary (Paulo & Reisen 2010: 543). Lastly, it is also important to remember that governance is not static. It is, rather, a constant process of development, which shifts between order and disorder as circumstances changes (Rosenau 2009b: 12).

2.2 Soft Law as a Tool of Compromise

Abbot & Snidal (200) presents three assumptions of how soft law can be understood, addressed and applied in the global arena: Soft law as a tool of compromise, soft law as a tool of compromise over time and lastly, soft law as a tool of compromise between strong and weak. These will be used as the framework for the analysis in the next chapter.

Firstly, soft law as a tool of compromise refer to the fact that soft law can facilitate bargaining at the same time as mutually desired compromises can be reached. It is generally easier and more practical to negotiate a softer agreement with broader targets that is less precise, especially within areas made up by diverse actors. Soft law is generally flexible and provide a framework within which states can adapt arrangements in accordance with specific contexts as well
as when circumstances change. Further, soft law is also advantageous when there are different degrees of readiness for legalization. Then, different levels of law can be incorporated for different states (Abbott & Snidal 2000: 444-445).

Secondly, soft law as a tool of compromise over time means that soft law can solve commitment issues that are often seen in the international sphere. This is realized as soft legal agreements commit and steer states to specific forms of discussions and procedures, which will provide a way of achieving compromise over time. The process can start with loose and vague commitments, only to include all actors of relevance. Over time, these may change and become more precise. This is also a process of learning to adapt to each other and the system and structures. However, it does not mean that soft law is merely an intermediate stop towards harder forms of legalization. Soft law is also a crucial and desirable mechanism of its own, especially in global institutions (Abbott & Snidal 2000: 446).

Thirdly, soft law as a tool of compromise between weak and strong indicates that that both parts can benefit. However, there have always been two main contrasting opinions in this debate. One the one hand, the traditional legal view claiming that law protects the weak, while the traditional international relations view means that law is a tool for the powerful. These views can be reconciled by understanding how soft law could benefit both weak and strong states. Still, it is common that soft law tend to give strong actors more influence (Abbott & Snidal 2000: 447-449, 456).

2.3 The Aid Architecture: A System of Global Governance Based on Soft Law

The diversity and tensions that characterises global governance can also be seen in the arena of development assistance and more precisely within the aid architecture. The last decade, these structures have been criticised for being dysfunctional and weakly coordinated. This largely depends on the diversity of modalities and actors that are now active within the aid architecture, as well as the numerous Non-DAC that operate outside the established governance structures of DAC (Kindornay & Yiagadessen 2012: 1).

This mix of actors creates an arena of disaggregated authority according to Rosenau, which in turn make the system even more complex. The growing economies of Non-DAC, the traditional DAC as well as other private and Non-Governmental agencies are all contributing to this cluster. The fact that they do not properly communicate, coordinate, nor collaborate cause major problems for the recipient governments. Therefore, actors at the global level need to engage through global governance structures. According to Ramesh & Van Langenhove (2006), global governance is not a fixed concept. It can be formal or informal
forms of engagement. Regardless, it brings together diverse actors to establish a framework within a specific sector.

This also demonstrates how fragmented the aid architecture is (Paulo & Reisen 2010: 539, Woods 2008: 1218). However, Woods notes that the fragmentation does not merely depend on the rise of Non-DAC. It is as much an outcome of multilateral donor proliferation. This has been admitted and the DAC donors have tried to change this and improve the coordination, but vague outcomes have been seen. The commitments and efforts do not correspond with the practice so far (Woods 2008: 1218). This indicates that improved communication and coordination is needed within this system. This could be achieved through improved global governance systems that can handle diverse actors with diverse approaches, as Boughton & Bradford (2007) argues. Further, this should preferably be realized through soft law as a tool of compromise according to Abbot & Snidal (2000).

DAC is the dominating global organisation within the aid architecture, which is founded on soft law. Soft law is used because DAC itself is a heterogeneous group of donors that have differing interests and opinions (Kindornay & Yiagadenssen, 2012: 1), which soft law have the capacity and ability to manage according to Abbot & Snidal (2000). DACs aim is to work together to help countries reduce poverty and achieve the MDGs. Given these changing times, it is crucial to create new partnerships, coherent policies and to cooperate (OECD/DAC 2011b: 5-6). As Roseau (2009b) argues, governance is a dynamic and constant process. Therefore, the institutions have to adapt when circumstances change, which is the present challenge for DAC.

The main principles and norms of DAC are the definition of ODA, the Paris Declaration and consequently the aid effectiveness agenda and the peer review system. The established definition of ODA (defined in sub section 1.5.1) is crucial for the mobilization of ODA in order to control and guide the development assistance from DAC members. Then, the aid effectiveness agenda and in particular, the Paris Declaration is the central effort to change and improve the aid architecture both in terms of donor-recipient relations as well as donor-donor relations and structures. These principles now guide the development assistance of DAC and the aid architecture as a whole (Manning 2006: 377-378).

Lastly, in order to control the compliance of the members a peer review system is used, which is a tool of soft law. It is used to make sure that member countries are fulfilling their commitments and otherwise can improve their work. Transparency is a prerequisite in this process and within DAC structures in general (Paulo & Reisen 2010: 543-544). The lack of control mechanisms and the risk of non-compliance are often considered as the main weaknesses of governance through soft law as Paulo & Reisen (2010: 543) argues. Therefore, it is positive that DAC have the peer review system that put pressure on the members. However, it is still no legally binding agreements nor constraints. It is

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5 The central principles within the Paris Declaration are: ownership, alignment, harmonization, results and mutual accountability (Walz & Ramachandran 2010: 22).
6 Explicitly, it is based on evaluations of the performance by one country made by other states (Paulo & Reisen 2010: 543-544).
rather based on reputation and respect, which works with varying outcomes as few targets have been achieved.

2.4 Divergent Voices about the Aid Architecture

However, there are also diverging opinions about whether DAC is the proper forum for development cooperation or not with these changing conditions. Manning (2006), the former chair of DAC obviously claims that DAC standards should be maintained. He means that all donors should adhere to and join DAC as they have developed standards of donor behaviours that works (Manning 2006: 384). Zimmermann & Smith agrees that the current structures should be kept. DAC have the tools and capacity to guide donors in the aid architecture but improved communication, transformation and adaption in accordance with Non-DAC is crucial. Further, increased dialogue between DAC and Non-DAC could foster mutual learning and trust. In a long-term perspective, this could result in increased collaboration between the actors (Zimmermann & Smith 2011: 733). Kragelund (2008) argues that collaboration is fundamental and has to be founded on mutual understanding and acceptance of differences. Therefore, DAC should continue to invite Non-DAC to activities to open up for further dialogue.

In contrast, there are also more sceptical voices. Kindornay & Besada claim that the global development assistance community are ill equipped to correspond to emerging issues as well as responses are not in accordance with the size of the challenges (Kindornay & Besada 2011: 37). Kim & Lightfoot contend that a new structure is needed. It should be created in accordance with Non-DAC. The current DAC standards are too complex and ambitious for numerous Non-DAC at this point (Kim & Lightfoot 2011: 717). Park agrees and states that there are presently few incentives for Non-DAC to join the current DAC structures. “Common but differentiated targets” should be adopted according to the differences of diverse donors. He also emphasise the importance of trust between all actors when creating united commitments, which could be achieved through improved and open communication (Park 2011: 56). In contrast, Chandy & Kharas (2011) claims that there is a lack of trust and mutual learning between DAC and Non-DAC, which problematizes the potential for further collaboration.

Moreover, others suggest that the issue of the current aid architecture is not as simplistic as black and white. Chandy & Kharas states that on the one hand it will be highly difficult to attempt to involve Non-DAC into the existing structures. This is because Non-DAC perceive it as a “western package”. On the other hand, it will be problematic to adopt DAC into another structure or change the current one, due to their long experience, time, and efforts at stake (Chandy & Kharas 2011: 744-745). Kharas et al. instead argue that with the diversity of donors, it may not even be possible to have a single aid architecture. Rather, an “aid ecosystem” with a set of guidelines and responsibilities that shape how each donor should act and interact are desirable (Kharas et al. 2011: 15).
Further, the report by ECOSOC adds that the central aim should be to strengthen the voice of Non-DAC when forming the international aid agenda, regardless of where this take place. Clearly, a forum is needed where Non-DAC can present their views separately from DAC (ECOSOC 2008). DAC also has to embrace the Non-DAC development assistance approach, which demands adaption and changes of DAC (Paulo & Reisen 2010). At the same time, numerous academics and reports\(^7\) levelled high expectations towards the fourth HLF that was held in Busan in the end of 2011, which is a DAC hosted forum. Notwithstanding, it is clear is that the opinions diverge and there is no consensus.

2.5 Concluding Remarks

Global governance is a concept used to describe the governance structures and mechanisms above states and beyond borders. Therefore, global governance has to be able to manage diverse actors. In relation to this, soft law have gained attention as it is seen as a tool of compromise, especially in environments characterised by diversity and complexity. However, when there is no legally binding arrangements, it is constantly a risk that the actors do not fulfil their responsibilities.

It can also be questioned if it is desirable to collaborate through compromises or if it only is desirable or truly necessary? In the case of the aid architecture and specifically development assistance coordination. It can be argued to be truly necessary and desirable. The fact is that development assistance is in need of global responses and collaboration in order to be effective. Currently, donors work parallel without communicating or coordinating, which is causing more damage than good, especially for the recipients. The recipients are and should be the centre in development assistance.

DAC is the dominating agency in the aid architecture that has developed a framework based on soft law. The rise of Non-DAC has levelled attention towards the fact that change and adaption is essential to increase communication and collaboration. However, the scholarly opinions diverge about the feasibility of DAC with the rise of Non-DAC and there is no consensus. Taken together, these factors make up the complex and diverse context of the current aid architecture. The assumptions about soft law as a tool of compromise will now guide the analysis in the next chapter.

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\(^7\) See Zimmermann & Smith 2011, Kim & Lightfoot 2011, Chandy & Kharas 2011 and Kharas et al. (ed.) Catalyzing Development: A New Vision For Aid
3 DAC and Non-DAC: Diversity, Engagement and Incentives

In this chapter, the central challenges and possibilities for engagement of Non-DAC in DAC will be analysed by addressing the aspects of diverse donors and development assistance, DAC efforts to engage with Non-DAC and Non-DAC incentives to engage in DAC. The assumptions of soft law as a tool of compromise and a possible foundation for collaboration will be discussed and assessed.

3.1 Soft Law as a Tool of Compromise: Diverse Donors, Diverse Development Assistance

At present, there are several tensions between DAC and Non-DAC in terms of their diverse approaches to development assistance. These tensions can be divided as differences, similarities, as well as concerns and opportunities and they indirectly result in challenges and possibilities for collaboration between DAC and Non-DAC.

To begin, it is obvious that DAC and Non-DAC follow and adhere to different development assistance approaches. Non-DAC do not refer to the Paris Declaration as DAC (Zimmermann & Smith 2011: 733-734, Chandy & Kharas 2011: 742). Instead they adhere to principles based on equal and mutual benefits, mutual nonaggression, mutual respect for territory and sovereignty, non-interference and peaceful coexistence\(^8\) (Kindornay & Besada 2011: 45). Non-DAC strives to build partnerships with focus on equal and mutual benefits, which is based on and a response to their own experiences with colonialism and Western approaches of donor-recipient relations (Walz & Ramachandran 2010: 16-17). Non-DAC also focus on sharing and exchange of experiences and knowledge, so called South-South Cooperation (SSC) where a developing country deliver development assistance to another developing country (Rhee 2011: 260-261). This is an advantage since they have similar backgrounds and development experiences (Rhee 2011: 264-265). This is an opportunity and aspect that DAC should and could learn from.

\(^8\) These were identified in 1955 during the Bandung conference and have since then guided development assistance of Non-DAC (Kindornay & Besada 2011: 45).
Further, Non-DAC often connect their financial assistance with commercial aims (Zimmermann & Smith 2011: 731-732). It is often in the form of “packages”. This combination of commercial considerations, such as trade and investments as well as concessional loans and grants (Zimmermann & Smith 2011: 727). Consequently, this does not count as ODA and it is against the norms of DAC. Therefore the concept of ODA is highly problematic and if communication is to develop into deeper engagement, a common language is needed (Walz & Ramachandran 2010, Zimmermann & Smith 2011: 736). This is an area seen where soft law as a tool of compromise are useful as flexible and adaptive standards could be used.

However, one major challenge with Non-DAC is that transparency is weak and there is lack of data and information sharing. This is often due to the absence of or weak systems of measuring (Walz & Ramachandran 2010: 6).

Nevertheless, this should not be the central focus. Instead, In line with Paulo & Reisen (2010), I would argue that the potential increases of resources available for recipients should be emphasised and embraced. This is not merely in terms of financial flows, but the development assistance of Non-DAC also foster investment and trade. Another advantage is that the rise of Non-DAC creates competition between the donors that could result in enlarged choice, control and ownership for recipient countries (Kragelund 2008: 579, Kragelund 2011: 604, Paulo & Reisen 2010: 539). Soft law as a tool of compromise could allow for more flexibility and mutual learning.

Non-DAC also adhere to the principle of non-interference that resists the application of political and economic conditionalities, at the same time; they tie their development assistance to domestic contractors, companies and resources (Walz & Ramachandran 2010:17-18, Kragelund 2008: 577). These approaches have obtained positive responses from recipient countries, as it is often perceived as a rapid and flexible process compared to DAC. Hence, concerns have been raised by DAC that the Non-DAC approach could undermine the work of DAC (Kragelund 2011: 602). Naim (2007) is extremely critical and claims that Non-DAC are delivering what he refers to as “rogue aid”. “It is development assistance that is nondemocratic in origin and nontransparent in practice” (Naim 2007: 96).

Nevertheless, there are in general vague evidences of these concerns. Both Paulo & Reisen (2010: 542) and Woods (2008: 1206) argue that the concerns are exaggerated and that further research is needed. In the case of China in Africa, it has been seen that China is engaged with numerous different countries, not only corrupt or resource rich countries, as Naim (2007) would argue.

Lastly and maybe fundamental for engagement and collaboration is the similarities that exist between DAC and Non-DAC, as these could be foundations for dialogue and communication. They share the same main objective, namely to work and contribute to achieve the targets of the MDGs (Manning 2006: 383, Paulo & Reisen 2010: 549). Chandy & Kharas also argues that the Paris declaration and documents that Non-DAC adhere to often have similar objectives and it is rather the interpretation and definition of the principles that differ (Chandy & Kharas 2011: 743-744), which probably could be solved through
increased communication through soft law, based on “Common but differentiated targets” in line with Park (2011).

To summarize, there are numerous areas of divergence between DAC and Non-DAC, but their main objective, to achieve the targets of the MDGs, are shared. This means that DAC and Non-DAC use different means to reach that end. The assumptions of soft law as a tool of compromise implies that it is a highly desirable instrument in environments characterised by diversity and complexity as the aid architecture and the relations between DAC and Non-DAC reflect.

The combination of concerns and the potential opportunities of Non-DAC make it crucial to engage them. Both in order to deal with the concerns and as well as take advantage of the opportunities. As soft law also create space for adaption of standards and commitments, it is flexible. This should be taken into consideration and be applied in the aid architecture in order to engage Non-DAC in DAC. The differences should be embraced and mutual learning should be the focus. Now the focus is levelled towards the challenges and concerns and the opportunities are forgotten.

Based on this, the central challenges for engagement of Non-DAC in DAC in terms of diversity are not the concerns or differences in themselves, but rather DAC’s approach and attitude towards them and Non-DAC. In my opinion, there are indications that DAC undermines Non-DAC role and that preconceptions without clear evidences become facts instead of actually keeping a dialogue with Non-DAC about it. This is in line with Chandy & Kharas (2011) that claim that there is lack of trust between the different groups of donors.

The possibilities for engagement of Non-DAC in DAC are in principal their shared objective to work towards achieving the MDGs, which could be an entry point. Then, it seems realistic that the means to achieve this should be accepted to differ between donors. However, this would then demand continuous communication in order to solve the coordination problems existing.

3.2 Soft Law as a Tool of Compromise over Time:
DAC Engagement with Non-DAC

The major issue have been and is still that Non-DAC have not been actively involved in the aid architecture. However, the last decade changes have been seen and there have been several efforts and reforms made by DAC to engage Non-DAC (Woods 2008: 1212).

They attempt to engage Non-DAC by organising events with them, inviting them to participate in official and technical activities as well as helping to improve aid and statistics managements systems (OECD/DAC 2011b: 30). DAC also recognizes that it has much to learn from Non-DAC in terms of other experiences and approaches. At the same time, DAC point to their long experience and lessons learned that could help other donors to improve. DAC
argues that dialogue and information sharing is basic to enhance understanding between donors and make DACs work more relevant and effective (OECD/DAC 2011b: 30). This is in line with the assumptions that soft law is a crucial process of learning over time. Zimmermann & Smith (2011) also argues that dialogue can foster mutual learning.

In 2005, DAC agreed upon an outreach strategy in order to “reach out” to other donors with the aim to increase dialogue and cooperation. Further, Brazil, China, India, Indonesia, and South Africa were categorized as enhanced engagement countries. The focus for DAC is to improve the relations through mutual agreements based on flexibility and adaption to each specific country (OECD/DAC 2008: 4-5). This flexibility and adaption could facilitate commitment problems.

Since 2003, four High Level Forums with focus on aid effectiveness have been held in order to improve the effectiveness of aid. It is in principal within these processes that increased discussions, considerations and awareness of Non-DAC have been seen (Walz & Ramachandran 2010: 22). The first HLF in Rome in 2003 did not focus on the role of Non-DAC and they were not invited. Further, much emphasise were levelled at donor-recipient relations. However, at the second HLF in Paris in 2005, the participating countries agreed to commit to new targets on aid effectiveness and the Paris Declaration was created. Ninety-two countries attended, both DAC and Non-DAC such as China and Brazil. However, the majority of Non-DAC considered themselves as recipients of development assistance. Therefore, they may only have felt responsibility for those targets levelled at recipients (Zimmermann & smith 2011: 734).

This was followed up in 2008, in Accra. Not until then, the aid effectiveness forum officially opened up for and welcomed Non-DAC. Further, they also recognized their potential contributions. Nevertheless, only modest progress has been seen toward the implementation of the commitments (Walz & Ramachandran 2010: 8). In an official statement in 2011 DAC also welcomed new partnerships and recognized that Non-DAC have a crucial role in the aid architecture (OECD/DAC 2011a).

All these efforts should be viewed as a point of departure for further collaboration (Paulo & Reisen 2010: 546) and indicate a willingness of DAC to collaborate and engage with other donors in their structures (Park 2011: 55). This is also seen in the strategic reflection exercise that DAC published recently. It assesses how to sustain and increase the relevance of DAC within the changing development landscape. The results will then form the basis of a revised DAC mandate (OECD/DAC 2010: 1). Likewise, this shows their will to adopt and change.

To summarize, DAC have made continuous efforts to engage with Non-DAC and include them in the DAC structures and procedures the last decade. This has been realized through different efforts but the Paris process seem to have been and is sill the central arena for engagement.

The assumption about soft law as a tool of compromise over time implies that flexible and non-precise agreements can solve commitment problems in a long-term perspective. This is crucial in the case with Non-DAC. This seems to be
focus in the specific efforts levelled towards Non-DAC only. However, this is not seen in relation to the Paris processes. Further, this is also a crucial process of learning, in terms of the system and structures as well as mutual learning between the actors. This is possible with all these efforts to engage. Every dialogue or communication is therefore important.

Lastly, soft law as a tool of compromise should also be seen as a desirable end. With this complexity, it appears unrealistic to strive for harder forms of law. It is better to involve all actors through compromise than working independently as it is now. The central challenge for engagement of Non-DAC in DAC in terms of efforts made so far is that there are several different initiatives and strategies, which may complicate the situation further. Based on this, the central possibility for engagement of Non-DAC in DAC is that DAC have realized that they have to engage with Non-DAC. This means that they have to be innovative, flexible and patient. Moreover, in line with Zimmermann & Smith (2011), I would argue that the major challenge for DAC is that it has to transform and adapt in accordance with Non-DAC. There are indications that this is happening, but this must be more concrete.

3.3 Soft Law as a Tool of Compromise between Strong and Weak: Incentives

DAC is making efforts to increase collaboration with Non-DAC through engaging them in DAC activities as seen in the previous section. Nevertheless, the question is if there are enough incentives for Non-DAC to engage in DAC.

In general, it is clear that Non-DAC have been and are underrepresented in global governance institutions and this refers to the institutions within the aid architecture too. To engage them, proper incentives must be seen (Park 2011: 58). The central space for engagement in DAC is through the aid effectiveness forums. To start, there are three main challenges for the expansion of the Paris process and the engagement of Non-DAC in it. Firstly, the Paris process lack legitimacy due to that it is driven by traditional donors and Non-DAC were only included later. Secondly, Non-DAC do not perceive DAC efforts to have improved the effectiveness of aid as few targets have been met and vague outcomes have been seen so far. Lastly, the focus and prioritises in the Paris process does not fully correspond to the principles that Non-DAC emphasise and modest flexibility have been seen (Woods 2011: 122). There is lack of trust, which Chandy & Kharas (2011) claim is one challenge for collaboration, which can be seen as a problem as Park (2011) states that trust is a condition for further collaboration.

The basic issue is that Non-DAC were not directly included nor involved from the beginning when the Paris principles were established, as briefly mentioned and discussed in the previous section (Kharas et al 2011:11). DAC and multilateral organisations have mainly led the debate about aid effectiveness.
Thereby, Non-DAC have had limited possibilities to form or be involved in the declaration and its implementation. Further, the declaration has often been interpreted as a “DAC instrument” that is based on traditional North-South donor relationships which further complicates the relation and the prospects for further collaboration (Davies 2008: 8).

Chandy & Kharas continues to claim that the incentives for engagement for Non-DAC are weak. The fact that DAC from the beginning was an exclusive club of western countries creates complex relations with Non-DAC. Numerous of the Non-DAC have been or still are the recipients of development assistance from DAC. This has been built on unequal power relations that still today influence the relations even though changes have been seen (Chandy & Kharas 2011: 743-744). Further, the power relation between donors and recipients has continuously been asymmetrical (Stokke 2009: 305-306). The fact that DAC indirect want to see Non-DAC act according to their principles and thereby be more DAC-able further show the challenge of power relations and lacking incentives for Non-DAC to engage in these structures (Kim & Lightfoot 2011). This could be founded in that development thinking is based on binary oppositions, which imply that relations always will be identified according to the self and the others. It is one way to organize and interpret the reality. Six means that an historical structure of “we and them” is still visible, which influence and explain the behaviour of Non-DAC and DAC in the current aid architecture (Six 2009). This could imply that the stronger part have more influence from the start, which could be difficult to change afterwards.

However, it is a paradox, because if Non-DAC not further engages in DAC structures, the concerns expressed by DAC will continue. However, Non-DAC could also be criticised by the developing world if they engage in a Western initiative (Paulo & Reisen 2010: 548). This also implies that it is a question about reputational aspects. Further, if engaging now, they would be latecomers and cannot expect that much influence. These problems of inclusion are present also in the broader arena of Bretton institutions (Park 2011: 55).

However, the increased engagement by Non-DAC in DAC could also be seen as a mean to increase their voices and power within the international community. Southern donors have long been seen to work together to raise southern representation (Walz & Ramachandran 2010: 16-17). This could be an opportunity for it. It indicates that soft law would therefore be a tool of compromise that could benefit both strong and weak.

To summarize, in general it seems, as incentives are rather weak because Non-DAC have not been actively involved from the beginning in efforts made to engage, especially in terms of the Paris processes. However, the incentive to engage in DAC is also a question regarding the position Non-DAC strive to gain in the international arena. The assumption of soft law as a tool of compromise between strong and weak implies that both weak and strong actors can benefit and reach desired goals, as it is a compromise. The members of West would be seen as the traditional strong part and Non-DAC consisting of developing countries the weaker part.
However, it is claimed that the strong often get more influence in the end. This is also possible to believe in this case as DAC donors that have dominated the organisation and efforts made since the start. Will it then be possible for the weaker to engage in this organisation and initiatives on equal grounds? I would argue that there is already from the beginning tensions and mistrust towards DAC and especially the Paris process from the point of view of Non-DAC. However, as both parts would have to comply to and constraint themselves according to principles and standards, compromise still seems as the best solution and foundation for collaboration. However, the risk is always that there is no compliance, as both parts fear that the other one will not adhere. Then it is back to square one again.

Based on this, the central challenge for engagement of Non-DAC in DAC in terms of incentives is accordingly the lack of incentives for Non-DAC due to the lack of ownership and involvement in the Paris process. The central possibility for engagement of Non-DAC in DAC is that Non-DAC want to increase their voice and share their approaches, however this could be made in another forum as well. In line with the report by ECOSOC (2008) I would argue that the most important factor is that Non-DAC feel that they have ownership and an equal voice.

3.4 Concluding Remarks: Soft Law as a Tool of Compromise and Foundation for Collaboration?

Three areas within the aid architecture, diversity, engagement and incentives, have been discussed and assessed in connection to three assumptions about soft law as a tool of compromise. Within each of these, both challenges and possibilities for engagement of Non-DAC in DAC could be seen.

Moreover, it seems, as soft law as a tool of compromise are highly applicable and useful in this arena. There appears to be potential to reduce and facilitate the main challenges through compromises and softer arrangements. However, it demands some level of trust and respect as there are not legally binding arrangements. I would argue in line with Zimmermann & Smith (2011) and Kragelund (2008) that dialogue, mutual understanding and acceptance of differences are fundamental aspects needed for further collaboration between DAC and Non-DAC.

In any case, it is clear that both parts have to be prepared to compromise in order to collaborate. Otherwise no change will be seen.
4 Other Forum Needed?

DAC can be seen as a possible forum for engagement of Non-DAC based on discussions about diversity, engagement, and incentives. However, as presented in section 2.3, there are diverse opinions about the current aid architecture. This range from optimistic voices towards DAC structures, to more sceptical views meaning that new institutions are needed and those claiming that it is a highly complex issue with no right or wrong. Therefore, this chapter will provide a brief discussion regarding the potential prospects of the new UN-DCF. The question is if the UN-DCF is “fit for the purpose” to coordinate development assistance.

The main issue is that all initiatives are created and governed through DAC and there seems to be lacking incentives for Non-DAC to engage. Therefore, an independent forum would be desirable, which DAC also should be included in, but not organizing (Walz & Ramachandran 2010: 22).

The new initiative within the United Nations, the Development Cooperation Forum (UN-DCF) is mentioned as one alternative forum in almost all literature within this area. The UN-DCF works under the UN ECOSOC and was established in 2005. The aim was to provide a multistakeholder forum in order to strengthen and develop a global dialogue regarding the changing conditions and circumstances of development assistance and coordination. This has been realized through biennial High-Level meetings, the first held in 2008 (ECOSOC 2007).

The objective of the forum is to review trends and development in the arena of development assistance and cooperation. Further, to promote improved coherence among the development activities of different development partners and to work to achieve internationally agreed development goals such as the MDGs (UN-DCF 2012). This is similar to DAC. The major advantage and difference compared to DAC is that it has a universal membership, as it is working within the UN body. Further, that it is independent from DAC (Killen & Rogerson 2010, Picciotto 2011: 68). However, the precise role and functions have not yet been determined. Therefore, few results have been seen so far, due to that it now is a forum for discussion and dialogue, which is difficult to measure in effectiveness and concrete results.

However, there is already from the beginning scepticism levelled towards the UN-DCF. To begin, the UN has been criticized for being too complex as it is made up of numerous different specialised agencies and commissions. (Degnbol-Martinussen & Engberg-Pedersen 2003: 97-98). Therefore, it is questioned how a forum within the UN will be able to deal with coordination in the arena of development assistance? Another issue is that it would be problematic to convert DAC into a new institutional setting when they have developed the institutions within DAC (Paulo & Reisen 2010: 549).
Walz & Ramachandran instead claims that the UN-DCF has the potential to be that independent body needed. Compared to DAC, it is more neutral since founded within the UN that includes all actors (Walz & Ramachandran 2010: 23) Davies argues that the UN-DCF could be a forum for inclusive dialogues that (Davies 2008: 15) can raise the profile of development concerns to the global agenda and come up with recommendations and proposals (Killen & Rogerson 2010).

The central motive for the creation of the UN-DCF was that developing countries desired a forum in which they would have an equal voice. The preparatory meetings have already shown that developing countries feel more ownership in this forum. Therefore, a good idea would be to see DAC and UN-DCF co-host the activities regarding aid effectiveness (Molina 2008).

In any case, long-term investments in mutual learning and the involvement of Non-DAC in international organisations and initiatives that deals with global issues will be challenging but essential. Further, “there are enough potential synergies which, if exploited, could make the whole greater than the sum of its parts” (Killen & Rogerson 2010).

4.1 Concluding Remarks

Based on this brief discussion about the UN-DCF, there is still too early to tell what role, function, and influence the forum could have in the aid architecture.

What can be said is that the universal membership of the forum is a unique advantage, regardless of existing problematic of weak and strong in this case as well. Still, ideally would be if the UN-DCF could work parallel and collaborate with DAC. Then, they could complement each other instead of competing for engagement of Non-DAC. DAC could focus on the technical aspects such as monitoring, measuring, and reviewing, which is already established. Then, the UN-DCF could function more as an all-inclusive forum of dialogue and discussion.

The actors do not only cause the fragmentation within the global system. It also depends on the numerous organisations, institutions, and initiatives that are active. Therefore, improved communication and collaboration is necessary. Soft law as a tool of compromise is also applicable in this setting as the UN-DCF will be a forum of diverse actors, where flexibility, adaptability, and compromise will be crucial in order to reach agreements.
5 Conclusion: Challenges, Possibilities, and soft law as a foundation for collaboration?

Based on the selected material used and assessed from without assumptions about soft law as a tool of compromise, this thesis have focused on diversity, engagement and incentives in relation to DAC and Non-DAC. The purpose has been to create an increased understanding of the diverse and complex aid architecture. More specifically, attempt to point to directions of prospects for collaboration between DAC and Non-DAC and soft law to be a foundation for collaboration.

This thesis has demonstrated that the aid architecture is highly complex and diverse. Based on the assessment of the diversity, engagement and incentives both challenges and possibilities to engage Non-DAC in DAC can be seen. The main challenges will be summarized as: the diverse aid models and the negative attitude of DAC towards Non-DAC approaches, the fact that there are too many different initiatives to engage Non-DAC in DAC, all organized by DAC, and lastly, the lack of incentives for Non-DAC to engage in DAC due to the absence of ownership in these processes is another challenge.

Accordingly, the main possibilities for engagement of Non-DAC in DAC are: the shared objective to achieve the targets of the MDGs, the efforts made by DAC to engage Non-DAC and lastly, incentives for Non-DAC to engage in DAC in order to gain influence and a position in the international arena.

Based on this, it appears, as soft law could be a foundation for collaboration. Soft law have the ability to manage the challenges at the same time as it can embrace the possibilities. Naturally, the situation is not that simplistic, but based on the analysis of the diversity, engagement and incentives, it seems as the features of soft law as a tool of compromise could correspond to the challenges and possibilities summarized above. However, it also has to be taken in consideration that this only succeeds if a minimum level of compliance is achieved. This will depend on the actors’ attitude and will. Further, the idea of a complementary forum, such as the UN-DCF should be further explored as a way to strengthen the current aid architecture.

To conclude, it is evident that both global actors and initiatives are in need of improved communication and collaboration. Based on this assessment, this could be realized through soft law as a tool of compromise and this thesis has attempted to demonstrate this in the arena of the aid architecture.
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