


Comments on Book Presentation “Fragmentation of Aid”




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About fragmentation of aid

- Fragmentation of aid: a very long-standing “chronic disease” of international development cooperation, discussed since at latest the 1980s (Hyden 1983; Cassen 1986)
 - Started to gather keen attention in the 1990s in the midst of “Aid Wary” syndrome, *i.e.* deepening concerns on collective or overall aid effectiveness.
 - Leading to initiatives to strengthen quest for alignment and harmonization culminating in the Paris Declaration.
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Is fragmentation a problem?

- Why are Airbus A380 or Toyota Carola manufactured through international supply chain and division of labour?
 - ⇒ the answer is seemingly very clear and rational: MNCs are choosing optimal intra-firm international division of labour locating each manufacturing process at optimal places
 - ⇒ HQs of MNCs are making optimal choices of architecture of fragmentation and *integration*
- But in the international development community, decision-making is, maybe by nature, not centralized: how to overcome?
- Aid fragmentation can cause a competition: apparently beneficial for recipients, e.g. Japan vs. China in Africa

How different from other fragmentation?

Role of Recipients (partner countries)

They are consumers in “market of aid,” with sometimes never considering budget constraints and limited ability of information processing

At the same time, they are to be a CEO at HQ (Planner, Lead Engineer, and Supervisor) ⇒ How about the reality?: This is the very important rational to think about negative effects and solutions of aid fragmentation

- ⇒ may need to pay attention to diversity among recipients and their situation: South Korea in the 1970s vs. South Sudan in the 2010s
- and also, differences between different sectors (Furukawa 2016)

Aid fragmentation is a problem, if dis-coordinated.

- not only unnecessary overlapping, missing important potential beneficiaries (aid orphans)
- unproductive competition for scarce resources for aid absorption: e.g. local recurrent budgets of recipient governments and human resources ⇒ thinly and insufficiently spread of those resources ⇒ low aid effectiveness
- Then General Budget Support directly supplementing local recurrent budgets are justified (?)

Why fragmentation is furthermore important now ?

- Drastically changing aid/development landscape: “No more universal use of aid coordination platforms and key concepts (private actors, emerging powers, etc.)” (Klingeziel 2017)
- How to deal with new aid landscape which would likely complicate aid fragmentation: surely this is a serious challenge to governance of international development cooperation, under transformations of power structure and the rise and spread of Trumpism.
- Emerging donors: stay away from the coordination platform

Towards concrete empirical analysis on specific sectors

- Taking particular contexts of recipient countries into consideration, as well as extent of *donors' scramble*.
- Would recommend to also take account of balance between aid amounts and local budgets in specific sectors.
- Why health and education are different from each other?

Hypothetical presumption: While to achieve better health for infants and children, various interventions by donors are necessary in the present reality, intervention to raise primary school enrolment could be rather simple.

Towards concrete empirical analysis on specific sectors (2)

- Focusing more on aid absorption processes: various stakeholders are involved and situation might vary from sector to sector
- Let us think about the agricultural sector: diverse natural conditions, a number of crops and products, different actors, and consumers (both home and abroad) with various tastes are concerned: coordinated fragmentation is required.
- But still Direct Budget Support is justified for a certain reason: enhancement of ownership by giving freedom and responsibility of resource distribution but ironically increasing transaction (coordination) costs emerged to be a new problem.



Thank you very much

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