



Development Effectiveness in Times of Shifting Geopolitics

Digital Development Dialogue
27.09.2024 Seminar Summary

In a rapidly evolving international landscape marked by multiple crises, development cooperation is confronted with new challenges and emerging opportunities. In this seminar, **Axel Dreher**, Professor of International and Development Politics at Heidelberg University, **Jochen Kluve**, Head of Evaluation at KfW Development Bank and **Peter Krahl**, department for Evaluation and Research at Federal Ministry for Economic Cooperation and Development (BMZ), **discuss how these shifts influence development cooperation objectives**. Drawing on insights from policy-making, academic research, and practical evaluation, the speakers examined how to better assess aid effectiveness, emphasizing the importance of balancing the perspectives of both donors and partner countries. Moderated by **Lennart Kaplan** and **Laura Wedemeyer**, this was the first hybrid session of the 3D Seminar, held as part of the **Homecoming Event** organized by the Göttingen School of Development Economics.

Each speaker offered introductory insights on the topic, followed by a round of discussion among them, and finally, a Q&A with questions from both online and in-person audience. **Peter Krahl opened the dialogue by sharing his perspective from the BMZ on the priorities of recent high-level development policy fora**, such as the Hamburg Sustainability Conference. He elaborated on the current international landscape, discussing how shifts in the global agenda and changing influence of key international players are reshaping priorities and objectives in the development aid sector. He also highlighted the dynamic interactions between contributing and beneficiary nations in driving these priorities.

Axel Dreher explored how the international political economy and pressing global issues influence the goals of development aid, emphasizing the need to assess aid effectiveness in relation to these objectives. He examined the interplay of topics such as gender equality, migration, political alignment, and environmental protection within the development aid agenda, noting how their significance can differ between donor and recipient countries. Dreher highlighted the critical importance of spelling out clear targets, instead of an unfocused “basket approach” with many objectives. Only if development projects have clearly stated objectives, evaluators and researchers would be able to benchmark them against these.

Drawing on his experience at KfW, Jochen Kluve presented findings from a comprehensive evaluation of over a thousand **development finance projects** to illuminate future expectations in light of the discussed shifts in geopolitics and aid objectives. The meta-analysis, which encompassed projects conducted between 1990 and 2020, revealed that success rates varied by sector, recipient region, and project characteristics. Projects within the finance sector demonstrated superior performance, while those focused on governance and budget support exhibited poorer outcomes. In terms of regional performance, Asia and Oceania ranked higher. Kluve also provided insights into other factors influencing success and failure, including financing models, the structure of the cooperation and institutions around them, as well as the complexity and risks associated with projects.

Author: Julia Hoechner Silveira Martins

Research Assistant at the Chair of Development Economics (Prof. Fuchs) and Master Student in Development Economics at the University of Göttingen (julia.hoechnersilveiramartins@uni-goettingen.de)