

**Economic and Social Council**  
**2008 High-level Segment**  
**Development Cooperation Forum**

***“Towards more coherent and effective development cooperation”***

**Annotated agenda**  
(formal and informal events)

**Monday, 30 June**

8:00 am – 9:00 am Under-Secretary-General Sha Zukang’s Advisory Group meeting (CR 9)

**Monday, 30 June – pm session**

3:00 pm – 3:20 pm **Opening** (CR 4)

Leo Mérorès, President of the Economic and Social Council

Ban-Ki-moon, Secretary-General, United Nations (statement delivered by Thomas Stelzer, Assistant-Secretary-General, UNDESA)

3:20 pm – 3:30 pm **Introduction of the report of the Secretary-General**

Thomas Stelzer, Assistant-Secretary-General, UNDESA

3:30 pm – 4:15 pm **Keynote Q&A**

Louis Michel, European Commissioner for Development and Humanitarian Aid

*“A new vision for development cooperation in the 21<sup>st</sup> century”*

4:20 pm – 6:00 pm **Special policy dialogues (parallel)**

**1. Identifying gaps and obstacles**

*“Allocating more aid: where should it go?”* (CR 3)

Chair: Jean-Marc Hoscheit, Vice-President of ECOSOC

Moderator: Ali Mahaman Lamine Zeine, Minister of Economy and Finance, Niger

Panelists: Sambou Wagué, Secretary-General, Ministry of Economy and Finance, Mali

Paul Collier, Professor and Director, Oxford University

Richard L. Greene, Deputy Director of Foreign Assistance, U.S.  
Department of State

Current aid allocation practices are not sufficiently conducive to progress towards the national and global development goals. While a higher proportion of aid is going to the poorest countries, allocations are often not adequately based on needs, results or country vulnerability to exogenous shocks. Growing aid flows to the social sectors and governance have mirrored declines in allocations to infrastructure and production; particularly significant is the decline in agricultural aid.

Aid allocation implies prioritization of certain countries, regions and groups within countries as well as sectors. Accordingly, the basic question underpinning discussions on aid allocation is how to achieve maximum impact in respect of achieving national and internationally agreed development goals.

*Discussion questions:*

- How to pursue an adequate system for ensuring that aid allocation is responding to needs or results thereby avoiding *donor 'darlings' and 'orphans'*?
- What are the obstacles to donors establishing *objective and transparent criteria* for aid allocation? What could motivate donors to increasingly pursue such criteria?
- What is the impact of donor policies prioritizing individual countries' access to aid? How may programme countries take charge of leading donor *'division of labour'* exercises at the country-level?

## 2. Reviewing trends and progress

*"South-South and triangular development cooperation: what can development actors learn?"* (CR 4)

Chair: Antonio Pedro Monteiro Lima, Vice-President of ECOSOC

Moderator: Paavo Vayrynen, Minister of Foreign Trade and Development, Finland

Panelists: Liu Guijin, Ambassador and Special Envoy on African Affairs, China

Karen Zelaya, Minister of International Cooperation, Honduras

Masato Watanabe, Deputy Director-General, International Cooperation  
Bureau, Ministry of Foreign Affairs, Japan

South-South and triangular cooperation is of growing importance in international development cooperation, playing a complementary role to traditional bilateral and multilateral aid. South-South development cooperation is significantly in the form of project finance and technical assistance with little or no conditionalities attached. It is a source of considerable funding for infrastructure and productive sectors with around two-thirds provided as loans on concessional terms in line with programme country policies.

South-South development cooperation is considered fairly predictable while at the same time being responsive to changing priorities in programme countries. It is subject to relatively little evaluation

beyond scrutiny of the timeliness and completion of projects. Most Southern contributors do not participate in formal harmonization and coordination initiatives.

*Discussion questions:*

- How can development actors' best learn from the *experiences of South-South development cooperation*, particularly in terms of curbing policy conditionality and balancing flexibility and predictability of financing?
- What are the *challenges for programme countries* in managing and coordinating South-South development cooperation?
- What would be the preconditions for South-South development cooperation actors to play a larger role in *coordination and harmonization initiatives* at the country-level?
- What would be the main obstacles to more *reliable data* on triangular cooperation through specific reporting by donors as well as on South-South development cooperation?

### 3. Reviewing trends and progress

*"How are civil society and new actors enhancing impact at the country-level?"* (CR 6)

- Chair: Park In-Kook, Vice-President of ECOSOC
- Moderator: Peter Adams, Executive Director, New Zealand's International Aid & Development Agency
- Panelists: Kumi Naidoo, Chief Executive, CIVICUS
- Michel Kazatchkine, Executive Director, Global Fund to Fight AIDS, Tuberculosis and Malaria
- Shona Grant, Managing Director, World Business Council for Sustainable Development
- Peter Msola, Minister of Science, Technology and ICT, Tanzania

Recent years have seen a rapid growth in sources of funding for development cooperation from outside regular donor channels. Proliferation has some important advantages, including wider choices of funding sources for programme countries, which can enhance stability and predictability of flows by diversifying risk, especially for countries with relatively few sources. It also provides more diverse perspectives on development issues (from national and sectoral development strategies to technology and expertise transfer).

Yet proliferation also has potential disadvantages, including conflicts over development priorities and conditionalities, increased earmarking and a dramatic increase in transaction costs. In addition, it adds to the strain on programme country capacities by diverting staff to work as project counterparts and spending resources on technical assistance to manage projects.

*Discussion questions:*

- What are the *comparative advantages* of civil society, businesses and new actors, such as global funds and private foundations, in providing and contributing to development cooperation at the country-level?

- What are the experiences of *aligning support* of civil society and new actors with national development priorities, in particular in countries which are challenged in respect of national capacities?
- How do development actors that are explicitly *results-driven* and *performance-based* avoid becoming engaged in short-term and off-budget financing at the country-level?
- How could the added value and development impact of *public-private partnerships* be better documented and disseminated to wider audiences?
- How may the development cooperation *activities* of non-bilateral and non-multilateral actors be better *accounted for* at the global level?

1:15 pm – 2:45 pm

**Side event**

South Centre – “*Strategic approaches to development cooperation: enhancing the development content of the Development Cooperation Forum*” (CR 6)

**Tuesday, 1 July – am session**

8:30 am – 9:50 am

**Breakfast meetings**

Informal meeting of civil society participants (CR 7)

10:00 am – 10:45 am

**Keynotes Q&A** (CR 4)

*“The changing landscape and dynamics of international development cooperation”*

Trevor Manuel, Minister of Finance of South-Africa and Special Envoy of the Secretary-General for the Doha Review Conference

Supachai Panitchpakdi, Secretary-General, UNCTAD

11:00 am – 1:00 pm

**Special policy dialogues (parallel)**

**1. Identifying gaps and obstacles**

*“Are capacities ready for more aid at the country-level?”* (CR 1)

Chair: Andrei Dapkiunas, Vice-President of ECOSOC

Moderator: Kemal Dervis, Administrator, UNDP

Panelists: Gerard Niyibigira, President, Economic and Social Council of Burundi & former Minister of Finance

John Rwangombwa, Secretary-General and Secretary to the Treasury, Ministry of Finance and Economic Planning, Rwanda

Ingrid Hoven, Director-General, Ministry for Economic Cooperation and Development, Germany

The capacities of programme countries to coordinate and manage aid are growing, with improvements in public financial management, procurement and recording. However, gaps remain in terms of analytical, policy, strategic and evaluation capacities, with these also receiving the least support. The capacity to negotiate alignment of development cooperation remains one of the least developed areas.

Most capacity-building has focused on core ministries, with insufficient support to sector ministries, parliamentary committees, decentralized entities, auditors and civil society. Under the constraint of limited capacities these organizations tend to assess aid delivery and development strategies based largely on issues other than effectiveness and results. Similarly, problems in coordinating and managing aid, such as disbursement delays, are sometimes attributed to limited 'absorptive capacities', yet detailed donor practices and procedures are not without fault in this regard.

*Discussion questions:*

- Are concerns about '*absorptive capacities*' justified with regard to the capacities for coordinating and managing of development aid by programme countries?
- How should donors engage with programme countries when *procurement and public financial management systems* are in their infancy or do not exist? Should donors completely abandon the use of parallel implementation units and wait for adequate systems to be developed?
- What are the experiences of *extending capacity-building* for assessing development effectiveness beyond core ministries to sector ministries, parliamentary committees, decentralized entities, etc.?
- How to provide programme countries with the information to *negotiate alignment* of programmes and projects with national priorities, based on knowledge of global best practices by donors?
- What are the experiences of conducting *nationally-led or joint assessments* of national systems managing aid by donors, programme countries and civil society?

## 2. Exchanging lessons learned

*"How can development aid support national development strategies?"* (CR 4)

Chair: Antonio Pedro Monteiro Lima, Vice-President of ECOSOC

Moderator: Charles Michel, Minister for Development Cooperation, Belgium

Panelists: Ali Mahaman Lamine Zeine, Minister of Economy and Finance, Niger

Park Kang-ho, Director General for Development Cooperation, Ministry of Foreign Affairs and Trade, Republic of Korea

Bernard Petit, Deputy-Director-General for Development, European Commission

National development strategies are the principal vehicle for advancing the implementation of national and global development goals at the country level and development assistance will only be effective when it is allocated in accordance with such strategies. Some programme countries, however, feel obliged to direct their priorities towards issues that are likely to ensure continued

assistance. This may produce a confluence of aid and national strategies developed to meet the expectations of donors.

Amidst calls for more realistic approaches to formulating and evaluating national development strategies, the credibility of such strategies are sometimes undermined by overextending the scope of otherwise feasible plans. Despite a clear need to prioritize when formulating strategies, this objective is often compromised when it comes to making difficult decisions on trade-offs, notably between different development goals.

*Discussion questions:*

- What are the experiences in *formulating, supporting and implementing* national development strategies which fully reflect a nationally-led process?
- What are the *defining characteristics* of country-driven national development strategies which receive the full support of donors?
- How do programme countries most successfully *interact with donors* to achieve support for national priorities when formulating national development strategies?
- How do programme countries most effectively *manage the different demands* of comprehensive and inclusive consultations with national stakeholders, liaising with donors and formulating timely and focused national development strategies?

1:15 pm – 2:45 pm      **Lunch meeting(s)**

1. Informal meeting of Director-Generals and other senior government officials in charge of development cooperation – “*strengthening mutual accountability: prerequisites and incentives*” (by invitation) (CR 7)

Moderator: Carlos Braga, Director, Poverty Reduction & Economic Management Network, Economic Policy and Debt Department, World Bank

Panelists: Ho Quang Minh, Director-General, Foreign Economic Relations Department, Ministry of Planning and Investment, Vietnam

Richard Manning, former Chair of OECD/DAC

2. Informal meeting of civil society participants (CR 9)

**Tuesday, 1 July – pm session**

3:00 pm – 3:30 pm      **Special presentation**

“*Key policy messages and recommendations of Rome Stakeholder Forum*”<sup>1</sup>(CR 4)

Moderator: Anders Johnson, Secretary-General, Inter-Parliamentary Union

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<sup>1</sup> **Rome Stakeholder Forum** “*The role of national and local stakeholders in contributing to aid quality and effectiveness*”, organized in partnership with the Inter-Parliamentary Union, CIVICUS, Action Aid and United Cities and Local Governments, 12-13 June 2008.

Presenters: Gérald Tremblay, Mayor of Montreal and Chair of Montreal Metropolitan Community and Vice-President of United Cities and Local Governments  
Kumi Naidoo, Chief Executive, CIVICUS

3:30 pm – 5:45 pm **Special policy dialogue**

**1. Identifying gaps and obstacles**

*“Aid effectiveness agenda: towards consensus at Accra and Doha” (CR 4)*

Chair: Jean-Marc Hoscheit, Vice-President of ECOSOC

Moderator: Munir Akram, Ambassador and Permanent Representative of Pakistan to the United Nations

Panelists: Trevor Manuel, Minister of Finance of South-Africa and Special Envoy of the Secretary-General for the Doha Review Conference

George Y. Gyan-Baffour, Deputy Minister of Finance and Economic Planning, Ghana (via video link)

Eckhard Deutscher, Chair, OECD/DAC

Ramesh Singh, Chief Executive, Action Aid International

The Paris Declaration on Aid Effectiveness marked a step change in articulating benchmarks for progress, yet the negotiations did not engage the full range of stakeholders. Moreover, the Declaration did not deal with several issues of key concern to programme country governments (e.g. conditionality and predictability), as well as issues emphasized by other stakeholders such as parliamentarians and civil society (e.g. accountability and transparency). Primarily occupied with monitoring aid delivery, this process has not demonstrated genuine ability to change donor behaviour or to link the aid effectiveness agenda with sustainable development results.

Aid effectiveness is a highly political issue in that several barriers to progress are of a political nature and political support for aid is unlikely if development assistance is perceived as ineffective. In this regard, it is important to recognize the factors on both sides of the aid relationship that can work against effective aid delivery. For example, on the donor side, considerations of political or commercial advantage, and on the recipient side, the competing interests of line ministries and those whose function it is to look at priorities across the board.

*Discussion questions:*

- With clear issues identified for deepening and broadening the aid effectiveness agenda, how could these be addressed to fully accommodate the *concerns of programme countries and other stakeholders*?
- How to strengthen the leadership of programme countries and national stakeholders in *monitoring and mutual accountability* for aid effectiveness?
- Why is the process associated with the Paris Declaration not bringing about clear/measurable *behavioral changes* in donor and programme countries?

- How to establish and demonstrate *clear links* between *aid effectiveness* and the broader issue of *development effectiveness* in order to avoid the international dialogue on the development effectiveness of aid becoming overly technocratic?
- How could the Development Cooperation Forum contribute to *regular assessments of progress* in scaling-up, mutual accountability and aid effectiveness which include all stakeholders?

5:45 pm – 6:00 pm

**Closing** (CR 4)

Concluding remarks by Jomo Kwame Sundaram, Assistant-Secretary-General, UNDESA

Summary statement by Leo Mérorès, President of the Economic and Social Council