



Economic and Social Council

2010 Development Cooperation Forum

High-level Symposium

DRAFT AIDE MEMOIRE

12-13 November 2009 – Vienna, Austria

“Accountable and transparent development cooperation: Towards a more inclusive framework”

Mandate

The 2005 World Summit mandated the United Nations Economic and Social Council (ECOSOC) to convene a biennial high-level *Development Cooperation Forum (DCF)* to *review trends and progress in international development cooperation*, including strategies, policies and financing; *promote greater coherence* among the development activities of different development partners and *strengthen the normative and operational link* in the work of the United Nations.

The DCF aims to advance the implementation of the Internationally Agreed Development Goals (IADGs), including the MDGs. It is mandated to give policy guidance and recommendations to promote coherent and effective development cooperation. It is also meant to provide a platform for Member States to exchange lessons learned and share experiences in formulating, supporting and implementing national development strategies and to be open to participation by all stakeholders. The first Forum took place in New York on 30 June and 1 July 2008.¹

The Doha Follow-up Conference on Financing for Development in November/December 2008 re-emphasized the importance of the DCF as the focal point within the United Nations system for holistic consideration of issues of international development cooperation, with participation by all relevant stakeholders. It recognized the important contribution of the DCF in efforts to improve the quality of ODA and to increase its development impact. It also mandated the Forum to review more systematic and universal ways to follow quantity, quality and effectiveness of aid, giving due regard to existing mechanisms.

The ECOSOC President’s Summary of the 2008 DCF urged the DCF to further strengthen the voice of all stakeholders and to give due consideration to the broad range of issues which affect aid effectiveness such as climate change, food security and policy coherence. It also called on the DCF to continue to provide independent and high-quality analysis of development cooperation; play a key role in drawing together analysis of progress in national and global-level mutual accountability processes; and focus its meeting in 2010 on developing a more inclusive framework for guiding effective development cooperation, taking into consideration the concerns of all stakeholders.

¹ More information on the 2008 DCF and its preparations are available online:
<http://www.un.org/ecosoc/newfunct/preparations.shtml> and <http://www.un.org/ecosoc/newfunct/2008dcf.shtml>

Background

The first DCF (30 June and 1 July 2008)

Throughout the preparatory process leading up to the first DCF on 30 June and 1 July 2008, the forum established a comparative advantage in producing targeted independent analysis on aid issues and organizing balanced North-South discussions in the form of several high-level symposia with the participation of all relevant stakeholders, including developing and developed countries governments, civil society organizations, parliamentarians, local governments and the private sector.

The first DCF represented the first decisive step in positioning ECOSOC as a key venue for global dialogue and policy review on development cooperation and aid issues, strongly endorsed by governments, parliamentarians, civil society and local governments.² Its key messages have had an important impact on the international debate on development cooperation. This is clearly reflected in the outcome documents of the Doha Review Conference on Financing for Development and of the Accra High-level Forum on Aid Effectiveness. Both reaffirmed the unequivocal demand for a universal and inclusive environment for discussions on international development cooperation.

Objectives of Phase II of the DCF (2009-2010)

With the world economic crisis and the challenges in reaching the internationally agreed development goals, including the Millennium Development Goals (MDGs), it is the objective of the DCF to promote constructive dialogue among all stakeholders to find effective ways to advance the implementation of commitments on quantity, quality and development impact of international development cooperation. The DCF will undertake an overall review of trends and coherence in development cooperation and of the broad range of issues that affect the effectiveness of development cooperation such as the economic crisis, climate change and food security.

Keeping in mind relevant developments in international development cooperation, areas of focus in this phase of the DCF will also include mutual accountability on development cooperation and aid transparency, South-South and triangular cooperation and Policy coherence. Some of these are areas where the voice of developing countries and other stakeholders has not been sufficiently heard and where there is need for building a more inclusive understanding. Phase II of the forum also aims at further strengthening a results-based dialogue among all relevant actors in development cooperation by more systematically mobilizing DCF-related inputs from practitioners at the country-level and disseminating results to them.

The role of the DCF in mutual accountability

The growing need for adequate oversight and accountability mechanisms in the changing aid environment as well as the discussions at the first DCF, at the Doha Conference and at the Accra High-level Forum on Aid Effectiveness – which welcomed the “contribution that the DCF is making to the international dialogue and to mutual accountability on aid issues” – all point to a role for the DCF in the area of mutual accountability on development cooperation. The DCF is now poised to serve as a forum where the principles of international mutual accountability are refined and strengthened. Taking into consideration the concerns of all stakeholders, it may draw together analyses of progress in national and global-level mutual accountability mechanisms, as well as from relevant aid transparency processes. It may thus in particular help to rectify the asymmetries in accountability relationships between donor and programme countries and non-executive stakeholder groups. This will take particular importance in light of the OECD/DAC-led aid effectiveness process up until 2011 and the DCF role in monitoring quantity, quality and effectiveness of aid. The DCF may also provide the forum where development partners hold each other to account on the commitments they have made.

² See Report of the 2008 DCF (http://www.un.org/ecosoc/newfunct/pdf/DCF_pub_18_Sept.pdf).

The 2008 DCF made a number of recommendations regarding mutual accountability. It urged key development cooperation actors to: (i) strengthen mutual accountability processes at the country-level through defining good practice standards and reinforcing national capacity and leadership; (ii) make all aid agreements, policies and data publicly available to facilitate scrutiny by parliamentarians and other stakeholders and to ultimately achieve greater transparency and accountability; (iii) extend capacity development on aid policy to a multitude of stakeholders, particularly parliamentarians, civil society and local governments; and (iv) support capacity development in programme countries to develop effective aid policies and development strategies with clear goals and action plans through inclusive processes and in response to the internationally agreed development goals.

The 2008 DCF also stated that the implementation of the Accra Agenda for Action will need to demonstrate that it is able to go beyond commitments in principle and procedural changes by producing real changes in behaviour of development actors with the objective of achieving development results.

Subsequently, governments and institutions participating in the Accra High-level Forum on Aid Effectiveness undertook further commitments to become more accountable and transparent to the public on delivering results. They agreed to step up efforts to ensure that mutual assessment reviews are in place by 2010 in all countries that have endorsed the Paris Declaration. They also agreed to review proposals for strengthening existing international accountability mechanisms by end of 2009. A dedicated Task Team is following up on the commitments related to mutual accountability.

The Vienna High-level Symposium

To facilitate an effective consultation process leading to the 2010 DCF, and to provide it with solid substantive and technical inputs, the United Nations Department of Economic and Social Affairs (UNDESA) is supporting the organization of several high-level symposia.

The first high-level symposium will be organized on 12 and 13 November 2009 in Vienna, in cooperation with the government of Austria. Focusing on “*Accountable and Transparent Development Cooperation: Towards a More Inclusive Framework*”, this event will be organized as a multi-stakeholder event with the participation of senior technical experts in aid management.

It will be a two-day meeting with four main sessions and a thematic lunch on gender equality and gender perspectives in mutual accountability. The sessions will be structured around short panel discussions based on case studies and a background analytical study. The first three sessions will be devoted to issues of mutual accountability and aid transparency. The fourth session will facilitate discussions on DCF’s upcoming work on South-South and triangular cooperation and on aid policy coherence. On the first day of the conference, there will also be a breakout session for group consultations on the themes of the symposium.³

The symposium will aim at producing a series of concrete conclusions and recommendations which will feed into the recommendations of the Secretary-General to the next DCF and serve as inputs to analytical work to prepare for the 2nd and the 3rd preparatory symposia as well as the DCF.⁴

These outcomes aim to refine principles and promote action by all stakeholders on a) well functioning and inclusive global, regional and national mutual accountability mechanisms and b) international aid transparency and information sharing.

This is expected to be achieved by

³ The opening and the four main sessions of the symposium will be interpreted in English, French and Spanish.

⁴ The 2nd symposium is planned for February/early March 2010 and the third for April/May 2010 in Helsinki, Finland.

- identifying successes as well as weaknesses and gaps of national, regional and global mutual accountability mechanisms and propose ways to reinforce their coordination and inclusiveness;
- providing a forum for expressing the views of programme and donor countries as well as civil society organizations, parliamentarians and local governments on strengthening mutual accountability mechanisms and enhancing aid transparency ;
- raising awareness about capacity constraints hindering mutual accountability from the perspective of different development partners, as well as strategies and incentives to strengthen *and* use mutual accountability mechanisms;
- fostering greater convergence among Member States on their expectations of the DCF in the area of mutual accountability.

The recommendations and possible deliverables resulting from the High-level symposium or subsequent DCF work will be shared with key development cooperation actors for any feedback or follow-up. The DCF will work in collaboration with all stakeholders to ensure that they are taken into account in the design and implementation of global and national mutual accountability and transparency initiatives, in order to enhance mutual accountability of development cooperation.

A detailed account of various sessions of the Symposium is given in the annex below.

Contact for further information

Office for ECOSOC Support and Coordination

Attn. Ms. Marion Barthélemy
Tel: +1 (212) 963 4005
Fax: +1 (212) 963 2812
Email: barthelemy1@un.org

or

Mr. Thomas Boehler
Tel: +1 (917) 367-9452
Fax: +1 (212) 963-2812
Email: boehler@un.org

ANNEX

Symposium Sessions

Following the opening and an introductory panel, the four sessions are organized around the following key areas: 1. Mutual accountability mechanisms at the global and regional level; 2. Mutual accountability reviews at the country level; 3. Strengthening international aid transparency and information-sharing; 4. the upcoming work of the DCF on South-South and triangular development cooperation; and on policy coherence. A luncheon thematic session on the first day will focus on gender equality and gender perspectives in mutual accountability. At the end of the first day three stakeholder caucuses will be organized by (1) The G77 and China, (2) OECD countries and multi-lateral organizations and (3) non-governmental and non-executive government (parliamentarians) and non-governmental stakeholders groups to brainstorm on their positions on issues addressed by the symposium.

Session 1. Mutual accountability mechanisms at the global and regional level

There is a variety of global and regional mutual accountability mechanisms. Some aim to enable developing and developed countries to hold each other accountable on commitments made, such as the United Nations processes including the DCF or the surveys of the Working Party on Aid Effectiveness. Others involve evaluations by NGOs or independent think tanks. The Secretary-General's report for the first DCF assessed that the global picture on mutual accountability shows a lack of information and analysis on aid practices and diversity in donors commitments, performance and willingness to be held accountable. This session will take stock of the effect of mutual accountability mechanisms at the global and regional level on donor behaviour, country ownership and national capacity building. Based on key lessons and challenges identified by participants and on the recommendations of the background study, participants are expected to identify preliminary conclusions to make global and regional mechanisms more responsive to stakeholder needs.

The following questions will be examined:

- 1) Is there a need for regular assessment of progress in mutual accountability and in improving each mechanism at the global and regional level as suggested in the background study (section 2.3)? If so, are the proposed criteria for this assessment sufficient? What else is needed to evolve towards a comprehensive system of global and regional mutual accountability?
- 2) How can the results of independent non government mutual accountability mechanisms be best integrated into the deliberations of official inter-governmental mechanisms such as the DCF or the OECD-DAC Working Party on Aid Effectiveness?
- 3) What more can be done to further strengthen the voices of recipient countries and multiple stakeholders in all global and regional mechanisms, including in setting the agenda for debate?
- 4) What can be done to support independent analysis of progress in ensuring that aid produces greater results for each provider of development cooperation?
- 5) What should be the role of regional forums, especially in peer learning on national mutual accountability frameworks?
- 6) What should be the role of the DCF and the OECD-DAC Working Party on Aid Effectiveness in promoting more comprehensive mutual accountability reviews at global and regional level?

Thematic Lunch Session: Gender equality and gender perspectives on mutual accountability

The principle of gender equality is important on its own, but also central to aid and development effectiveness. Yet, evidence suggests that existing mutual accountability systems do not embrace the principle of 'empowerment of women' in setting targets for more accountable development cooperation. National gender dimensions are often taken into account at project level and some caucuses of women parliamentarians focus on mutual accountability issues. But there is no systematic attempt to monitor and assure participation of women's organizations in mutual accountability mechanisms. Nor is attention given to monitoring whether aid is having a specific gender impact. There is a lack of transparency of gender aid at country and sectoral level.

The objective of this lunch session is to reflect on how aid policies and initiatives can be made more “gender-responsive” through more robust mutual accountability mechanisms at the global, regional and national levels.

The following questions may be examined:

- 1) To what extent are gender-sensitive indicators identified and applied to monitor aid allocation and its impact in global, regional and national mutual accountability and transparency mechanisms?
- 2) Based on existing evidence, what are the best ways to institutionalize gender-responsive monitoring and evaluation (M&E) mechanisms in the context of mutual accountability efforts?
- 3) How can better gender disaggregated data and improved gender analysis be made available in the context of global, regional and national MA and transparency mechanisms?
- 4) What is the experience in making information on gender-sensitive aid allocation and disbursement more accessible to the public?
- 5) What approaches have proven effective to ensure effective participation by women’s organizations, National Women Machineries (NWMs), parliamentarians and other relevant groups in global, regional and national mutual accountability mechanisms?

Session 2. Mutual accountability reviews at the country level

Improved mutual accountability at national level helps to increase programme country’s leadership in management and coordination of aid and ultimately may result in strengthening a country’s ability to absorb funds. There exists a wide array of country-led coordination systems, including harmonization/alignment action plans, joint assistance strategies and action matrices revolving around budget support. However, they often achieve only partially the objectives of meaningful mutual accountability mechanisms. National ownership of mutual accountability mechanism is often insufficient. This is often due to weakness in domestic/in-country accountability and to the lack of consistent engagement of all relevant stakeholders including civil society organizations, parliamentarians, auditor generals and decentralized government agencies.⁵

Key challenges to effective national mutual accountability include:

- 1) Inadequate information and data, especially at the country level;
- 2) Lack of coherence in donor strategies at the country level and among programme countries’ line ministries;
- 3) Capacity constraints in developing countries;
- 4) Lack of transparency in sharing information among donors and recipients as well as among key national actors; and
- 5) Lack of effective monitoring mechanisms to ensure accountability.

A set of mutually agreed objectives and ‘concrete steps’ to design and strengthen mutual accountability mechanisms may be useful to help development actors to develop more meaningful mutual accountability mechanisms. The discussions at the symposium may lead to concrete recommendations to that effect.

The discussions will also bear in mind the objective of having national mutual accountability reviews in place by 2010 in all countries that have endorsed the Paris Declaration.

⁵ Largely because of severe capacity constraints, ‘domestic accountability’ mechanisms in recipient countries are often weak. All mutual accountability relationships should be intrinsically characterized by strong engagement of civil society and parliamentarians and auditor generals where appropriate. Based on the outcomes of the Vienna Symposium, the 2nd High-level Symposium in February/early March 2010 will particularly focus on this aspect of mutual accountability.

This session will be organized in the form of two panels. The first one will take stock of lessons learned and key gaps and the second one will discuss benchmarks and guidelines for well-functioning national mutual accountability mechanisms.

The following questions may be examined:

- 1) What are some pragmatic ways to promote sharing of analysis and information on good practices and weakness in national mutual accountability mechanisms?
- 2) How can countries build the capacity of parliamentarians, local government agencies and civil society on mutual accountability and ensure their participation in national mutual accountability mechanisms?
- 3) Do participants agree with the components listed as key elements of success in national mutual accountability mechanisms in the background study (section 3.3)? Do they have others to add?
- 4) Would it be useful to assess annually whether national-level mechanisms have progressed in changing donors' behaviour? How can this be initiated and what would be the role of the DCF?
- 5) How can progress in promoting national level mutual accountability mechanisms be drastically accelerated?

Breakout sessions: Stakeholder consultations on global and national mutual accountability and aid transparency

Participants will be invited to further discuss the three key areas of the symposium (global and regional mutual accountability, national mutual accountability and aid transparency/information sharing) in three groups: (i) G77 and China, (ii) OECD Members and multilateral institutions and (iii) non-executive governmental (parliamentarians) and non-governmental DCF stakeholders.

These three parallel caucuses will be organized by DCF stakeholder groups themselves to formulate recommendations for the definition of principles for global, regional and national mutual accountability mechanisms and for aid transparency. Prior to the session, each group will appoint one moderator and one rapporteur. The results will be presented by the three rapporteurs in the morning of the second day of the symposium. Presentations by the groups should highlight areas of agreement as well as areas where divergent views emerged in the course of the caucuses.

Session 3. Strengthening international aid transparency and information-sharing

Access to information on the quantity of aid and on what it is spent on is an essential prerequisite for democratic ownership, real participation and accountability in both donor and programme countries and for mutual accountability between them. It is agreed that further progress towards more and better quality aid requires accessible data documents and policies. The 2008 DCF recommended that the responsibilities and commitments of both donor and programme countries be clearly set out in the form of transparent aid compacts premised on mutually agreed upon values such as accountability and sovereignty.

This session will base its discussions on a series of country-level case studies and a review of relevant aid transparency initiatives. The discussions are expected to address the role of *all* development cooperation actors in the joint effort to strengthen their aid transparency. They will also address the value added of strengthening aid transparency in the context of mutual accountability objectives as well as key challenges and potential incentives for partners to fulfill respective commitments.

Participants will be invited to make recommendations building on existing transparency mechanisms and the key factors of success identified in the background study. They are encouraged to voice their views and needs and to propose criteria to make aid management more transparent. This session will consist of one panel to review trends and progress to make aid more transparent and one panel to distill key messages to increase the transparency and predictability of aid.

The following questions may be examined:

- 1) Are the principles underlying the current transparency initiatives sufficient to enhance and ensure transparency? Can they be improved and how?
- 2) Were current initiatives established in a participatory manner? How can this be further enhanced?
- 3) Which principles of these initiatives will be most difficult to achieve? What can be done to ease the process?
- 4) Should there be comprehensive and continuing monitoring of transparency initiatives to ensure they apply their principles, fulfill expectations and change behaviour? What role can the DCF play in supporting such monitoring?
- 5) In order for transparency to have a positive effect on accountability, the analytical capacity of multiple stakeholders will need to be reinforced. How can this be done?

Session 4.a. Strengthening South-South and triangular development cooperation

The United Nations Secretary-General's report to the 2008 DCF and the first study on South-South and triangular development cooperation⁶ identified the rapid growth in South-South and triangular cooperation since 2000 as a key development in international development cooperation. Recognizing that South-South cooperation is a significant complement to North-South cooperation, the report concluded that South-South and triangular cooperation are seen by Southern partners as having significant advantages such as the possibility for technology transfer, capacity-building and value-for-money, but that further efforts were needed to maximize its impact, especially with regard to monitoring and evaluation.

Against this backdrop, the 2008 DCF underscored that a process was needed to facilitate the exchange of information and enhanced analysis so that other development actors can learn the positive lessons of South-South and triangular cooperation. With the current world economic crisis, there is today, more than ever, high political interest in South-South cooperation as a way of improving development results.

This has brought to the fore the need to better understand and better support South-South cooperation. The preparations for the 2010 DCF offers the possibility to advance these objectives. This session of the symposium will provide guidance for the upcoming work of the DCF in this regard. Among others, it will place a particular focus on concrete challenges countries are facing in measuring South-South cooperation flows and on how to support voluntary provisions of data and information in this area. The United Nations conference on South-South cooperation, to be held on 2 and 3 December 2009 in Nairobi will be the occasion to present the way forward for the DCF's work on South-South cooperation.

The following questions may be examined:

- 1) How can the international community mobilize enhanced support to South-South cooperation while keeping in with the unique characteristics of South-South cooperation?
- 2) How can exchange of analysis and information be facilitated so that positive lessons from South-South and triangular cooperation, for instance in the area of technical assistance or infrastructure, can enrich development cooperation practices? Can the DCF play a role in this regard?
- 3) How can South-South cooperation flows be better defined and measured? How can key obstacles in collecting and analyzing South-South development cooperation be overcome? What role can the DCF play in addressing these challenges?

⁶ Background study for the DCF, "Trends in South-South and triangular development cooperation", April 2008, <http://www.un.org/ecosoc/newfunct/2008dcfbckgrd.shtml>

Session 4.b. Enhancing coherence in policies affecting development cooperation and the effectiveness of aid in promoting other types of financing for development

The DCF policy coherence agenda may focus on three main areas:

1. Promoting the effectiveness of aid in leveraging other types of development financing: ODA can be critical for improving the environment for private sector activity and can pave the way for robust growth. Despite the increased attention to aid for trade, greater clarity on how to use aid to generate other types of development financing is needed. The DCF may help identify best practices and some commonalities as well as general rules to make such effort a genuine success.
2. Mitigating the impact of major changes (economic crisis and climate change) on development cooperation: There is increasing concern about the impact of the contingency policies in other sectors, for example, the stimulus policy to address the economic crisis and the mitigation of climate change on development cooperation. In the future, the DCF should spell out the impact of the major trends and the channels, by which development cooperation is affected, with the support of evidence-based studies. These should serve as a basis of multi-stakeholder consultations and the DCF policy recommendations.
3. Promoting policy coherence for development through the lenses of developing countries: Donor countries have taken concrete action to avoid that the objectives and results of their development policies are undermined by other policies (such as agriculture, trade, investment, and migration) and that these other policies support development objectives. The OECD Policy Coherence for Development (PCD) is an example of this effort. In spite of the increasing visibility of the PCD, there is recognition that the voice of developing countries has been consistently missing in this process. The feedback of developing countries on donor policy coherence will provide important impetus for the PCD process.

The Vienna Symposium aims to hold preliminary discussions on policy coherence from these various perspectives, which will help sharpening the focus of the DCF on policy coherence.

The following questions may be examined:

- 1) What are the policy coherence issues that the DCF should address, bearing in mind the existing processes led by donor countries?
- 2) What are the best ways to engage programme countries in the global dialogue on policy coherence and the role of the DCF in this regard?
- 3) How effective has aid been in supporting the mobilization of domestic and external resources for development? What are the gaps of existing analytical work in assessing these types of aid flows?