



Economic and Social Council

2012 Development Cooperation Forum

1st High-level Symposium

Bamako, Mali – 5 - 6 May 2011

AIDE MEMOIRE

“Gearing Development Cooperation towards the MDGs: Effectiveness and Results”

I. Background

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 biennial forum aims to advance the implementation of international development cooperation to attain the Internationally Agreed Development Goals (IADGs), including the Millennium Development Goals (MDGs), and to promote dialogue among all stakeholders to find effective ways to support this process.

Since its inception in 2007, the Forum has established itself as a successful forum for global policy dialogue on aid quantity, quality and effectiveness and policy coherence where Member States, non-governmental organizations, parliamentarians, local governments and the private sector exchange lessons learned and promote tested solutions through which development cooperation can advance the MDGs.

The 2010 DCF provided key inputs on development cooperation to the High-level Plenary Meeting of the General Assembly on the MDGs, in September 2010, where Member States “encouraged the continued efforts in the DCF, as the focal point within the United Nations system, to carry out a holistic consideration of issues related to international development cooperation, with the participation of all stakeholders.” The forum also distilled messages from all stakeholder groups and identified good practices and standards for increasing and allocating aid, promoting policy coherence around development goals, ensuring two-way accountability between donors and programme countries and maximizing the gender impact of aid.

The next DCF will be held in mid-2012. To prepare this meeting, high-level symposia and studies will analyse development cooperation, to increase its quantity, improve its quality, and maximize its impact in accomplishing national and international development goals.

II. The Mali High-level Symposium

Context and Objectives

The Mali symposium is the first milestone in preparing for the 2012 DCF. It takes place when prospects for global economic recovery remain uncertain, with record high food and oil prices provoking political unrest in some regions, and the impact of climate change already being felt. The world’s poorest citizens are suffering the most from the impact of these global development challenges, which delay progress in reaching the MDGs, in particular because development cooperation is stagnating – and at risk of falling – after several years of sharp rises.

The international development cooperation landscape also continues to change rapidly, with more actors applying more diverse practices to deliver development cooperation. Key global agreements have been reached to increase quantity and quality of development cooperation - notably the United Nations Monterrey Consensus in 2002 and the World Summit - when the DCF was created in 2005. The 2005 Paris Declaration

on Aid Effectiveness and the 2008 Accra Agenda for Action also launched a major process to improve aid effectiveness under the auspices of OECD/DAC. But these processes have not always produced the expected results, or included the concerns of all stakeholders. This points to the need to broaden the “aid quality” agenda, by making sure it develops national capacity, reduces conditionalities and increases accountability on commitments made; as well as reflects the best practices of all providers, including developing countries and civil society organisations.

These issues will be at the heart of the Mali Symposium. It will facilitate a technical debate among governments and other actors on how to scale up solutions which have been tested at national and global levels, to improve the quality of development cooperation, and increase its impact on national and internationally agreed development goals, with the ultimate objective to demonstrate that aid works. More specifically, the symposium will facilitate a structured, interactive and open dialogue to:

- Show how aid can achieve **development results** cost-effectively and how this should be measured;
- Identify how broad-based country **ownership** should lead this process, in order to make results sustainable;
- Agree on ways to enhance the quality and the results of development cooperation in **Least Developed Countries**, and make proposals to strengthen existing mutual accountability and review mechanisms as input to the fourth United Nations Conference on least developed countries (LDC-IV);
- Reflect on how **national-level accountability** between donors, programme countries and other stakeholders can enhance results and impact on the lives of the poor; and
- Analyse lessons from the **education** sector for improving global accountability for results.

The recommendations of the Mali symposium will help to prepare the 2012 DCF. They will also provide immediate input to the LDC-IV conference to be held from 9 to 13 May in Istanbul, and the Annual Ministerial Review of the MDGs of the United Nations Economic and Social Council, which will focus on education in June 2011. In addition, the discussions on ownership, results and mutual accountability between donors and programme countries will contribute new approaches and ideas to the preparations for the Fourth High-level Forum on Aid Effectiveness, in Busan, Republic of Korea in December 2011.

Participants and Organisation

The High-Level Symposium will provide an opportunity for senior representatives from governments, multilateral organizations, civil society, parliamentarians and the private sector from all regions to engage in a dialogue. Conference Room documents for the meeting, a draft annotated agenda and a logistical note will be circulated and posted on the ECOSOC website (<http://www.un.org/ecosoc/DCF>).

The Symposium will be a two-day meeting with three main substantive sessions. Each session (of 3–3.5 hours) will consist of one or two interactive debates, which will be introduced by three panellists (for 7-10 minutes each). In some sessions, plenary discussions will be followed by group discussions around tables to facilitate exchange among government and non-government participants. ***This aide memoire provides an introduction to each of these sessions as well as key questions for the plenary and table debates.***

The afternoon of the second day will be devoted to break-out sessions for more in-depth discussions in three stakeholder groups: DAC donors and multilateral organizations, G77 and China, and non-governmental stakeholders. Key questions for discussion in the breakout sessions will be circulated to participants at the symposium.

The discussions are expected to be informal, interactive and frank throughout the symposium, and it is not expected that any statement will be read.

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SESSION 1: DELIVERING RESULTS FROM DEVELOPMENT COOPERATION

While much progress has been made towards national development goals and the MDGs, these will not be fully achieved by 2015. Though much of this shortfall springs from failure to deliver agreed quantities of aid, more can also be done to increase the MDG results of existing aid flows. This session will therefore focus on two aspects of how development cooperation can ensure sustainable development results: (i) how to define, monitor and evaluate cost-effective development results; and (ii) how to maximise broad-based country ownership to achieve sustainable results.

Thematic Dialogue A: Getting Results and Demonstrating Results from Development Cooperation

The issue of maximising results from development cooperation has been at the centre of international debate since before the Monterrey Consensus. However, it has gained renewed traction in light of the recent economic downturn, and the need to maintain political support for aid among taxpayers in donor countries, and citizens in recipient countries, by demonstrating results from their cooperation. The symposium thus aims to pave the ground for demonstrating that aid works. It also has the potential to strengthen the oversight of citizens over programmes and projects financed by development cooperation.

While endorsing shared MDG goals, donors and recipients use many different methods to define and assess results. There are three main strands to the debate:

1. Some stress rapid, cost-effective and sustainable delivery to attain the internationally agreed development goals (IADGs), including the MDGs. This approach, which emphasizes reducing transaction costs, is reflected in global agreements on aid effectiveness, and in the delivery by many Southern providers of rapidly-completed low-cost projects with transfer of appropriate capacity and technology.
2. Others focus on measuring quantifiable short-term development outcomes such as completion of education or reduction of maternal mortality. These indicators have been increasingly used by bilateral donors, multi-lateral development banks, in the United Nations system and especially by the global funds. Partly because they want to attribute results to their own projects, some donors are experimenting with “results-based” aid or “cash on delivery” through which programme countries receive cooperation only after delivering results.
3. A third group emphasises results for long-term sustainable development prospects. It often entails measuring results by improvements in rights, empowerment and governance. Some development cooperation actors such as non-governmental and faith-based organizations and philanthropic foundations have a clear comparative advantage in terms of reaching marginalised populations, and measuring broader progress on empowerment.

In parallel there has been a trend to discussing “development effectiveness” rather than “aid effectiveness”. For some, this implies intensifying the discussion of how aid can be delivered to maximise results on the internationally agreed development goals— and of how to increase monitoring and evaluation of results, especially through developing countries’ own Monitoring & Evaluation (M&E) systems. This approach is close to the commitment on “managing for development results” which donor and recipient signatories of the Paris Declaration have undertaken. For others it means spending less time discussing aid, and more discussing how development results can be achieved through multiple other sources of financing, and by developing countries’ own efforts.¹

The objective of this opening debate is to explore how development cooperation can maximize sustainable and cost-effective results. Participants are encouraged to discuss practical examples of how they define and assess results, to highlight lessons that can be learned.

The following questions should be addressed:

- (i) What are the most vital results to maximise country-led, long-term sustainable development ?

¹ This will NOT be discussed in the Mali symposium, because the second preparatory symposium for the 2012 DCF (October 2011 in Luxembourg) may focus on how to maximize the impact of aid by leveraging other development financing and domestic resources.

- (ii) What is best practice in defining monitoring and evaluating approaches for assessing the contribution of development cooperation to development results ?
- (iii) What is the role of “aid effectiveness” (ie effective delivery of development cooperation) in contributing to development results ?
- (iv) How best can cost-effectiveness in development cooperation be assured without undermining its contribution to country-led, long-term sustainable development ?

Thematic Dialogue B: Ownership and Inclusiveness for greater Impact and Sustainability

Development results (including those produced by development cooperation) can be long-term and sustainable only if their definition, pursuit and measurement are led – not just owned – by the programme country itself. This means that each country – through its government as well as relevant national stakeholders and empowered citizens – must be given the space to define its own results indicators through national development strategies based on broad consultation. It is also essential to develop the capacity in government and non-government organisations to implement, monitor and evaluate results. Higher national M&E capacity could also encourage more flexible cooperation such as sector or general budget support.

To facilitate nationally-led development, donors should assess performance based on these frameworks, reduce or eliminate policy conditionality to free up such policy space, align their assistance to support national and sectoral priorities and targets, and participate in national monitoring and evaluation exercises rather than insisting on their own.

The international agreements on development cooperation have all underlined the need to enhance developing country ownership, by reducing policy and procedural conditionalities to maximise space for national leadership and through broad-based participation in designing, implementing and monitoring national development strategies. However, in spite of efforts by programme countries to broaden national dialogue, and by individual provider of development cooperation to streamline their conditionalities, many analysts see relatively little progress in either of these areas.

Some donors continue to allocate aid based on mechanisms to assess the performance of programme countries, which are not endorsed by programme countries themselves, to prescribe multiple policy conditions and to set detailed procedural conditions on how cooperation should be used. These cause delays in disbursing aid, making assistance more unpredictable and inflexible. Others have reduced their conditions sharply, requiring only strong development strategies and public financial management, and respect for international agreements on democracy and human rights, but still endorse harmonized policy conditions in multi-donor budget support and sectoral policy matrices. Others (notably the EU) have moved partly to results-based conditions, which disburse on the basis of demonstrated development outcomes.

In many cases, information on conditionalities is not available – though aid transparency initiatives aim to change this. Nor is there any consensus on how to move forward in sharply reducing conditionalities and expanding space for national leadership.

Continued use of conditionality can also disregard or undermine national democratic oversight processes. Some providers and recipient governments are therefore attempting to focus their financing on strengthening national ownership and participation in development – especially for parliaments, CSOs and poor communities – to offset and counterbalance the overwhelming influence of provider conditionality. Yet best practice in this area – how to promote participation without undermining national leadership – remains unclear.

This thematic dialogue will therefore address the following questions:

- (i) How can performance-based allocation, conditionalities and performance assessment frameworks be reformed and reduced much more dramatically in order to strengthen national leadership and enhance sustainability of development results ?
- (ii) What are best practices by programme countries (sometimes with assistance from donors) in enhancing national leadership through improved definition, monitoring and evaluation of results ?
- (iii) What are best practices by donors in using national Monitoring & Evaluation frameworks ?
- (iv) What are best practices by programme countries (sometimes with assistance from donors) in broadening national-level consultations on designing, monitoring and evaluating development results ?
- (v) What indicators could be used to monitor progress in this area ?

SESSION 2:

ACCOUNTABLE DEVELOPMENT COOPERATION IN LEAST DEVELOPED COUNTRIES

The international community has long agreed that development cooperation is a particularly vital source of financing for development in least developed countries (LDCs), as well as in other countries with special development needs including post-conflict countries, small island developing states (SIDS) and landlocked developing countries (LLDCs). For this reason, donors have committed to targets for allocating a certain share of ODA/GNI to such countries, and to untying their development cooperation to them.

However, *Conference Room Document 1* (a special DCF report on development cooperation for LDCs) shows that these targets have not been met, and that many LDCs remain objectively “underaided”. It also analyses how development cooperation to LDCs is often provided in ways which reduces its long-term impact on their development. This is due to inadequate modalities, limited alignment with national development plans, unpredictability, low impact on capacity-building, low use of government systems, channelling aid through separate implementation structures, fragmentation of donors/projects, and the persistence of policy or procedural conditionalities including tying of food aid and technical cooperation.

The paper discusses how the characteristics of different LDCs need to be taken into account, and shows that the LDCs receiving the least reliable amounts, as well as the poorest quality cooperation, are those with the most need for high quality cooperation. This applies to countries emerging from conflict or with weaker systems, and facing multiple challenges related to peace-building and state-building. Poor quality cooperation in these countries undermines national recovery and the political processes driving state-building. As also stressed by the g7+ (an independent forum of “fragile” and conflict-affected countries) this means the quantity and quality of cooperation needs to be increased even faster in such countries, to encourage the development of stronger national systems and their use.

Several LDCs have established frameworks to allow accountability of and to their donors, where results of development cooperation are monitored and discussed annually. But in many other LDCs, there has been virtually no progress on developing such two-way accountability relationships. In addition, there is no systematic monitoring of progress on aid quality for LDCs (apart from the two targets in the Brussels Programme of Action).

The fourth conference on the Least Developed Countries (LDC-IV) will adopt a programme of action including commitments on development cooperation. The DCF (in cooperation with other actors) will be organising a special side-event on these issues at the Istanbul Conference. The goal is to ensure that maximum efforts are being made to enhance the quantity and impact of development cooperation through monitoring and follow-up to the Istanbul Programme of Action and other frameworks to hold donors and LDCs accountable for commitments made. The special event will directly build on the conclusions from this session in Bamako.

In this context, and given that LDCs receive worse quality cooperation and hold their donors less countable than do other developing countries, *Conference Room Document 1* outlines a proposal to ensure regular future monitoring of commitments on the quantity and quality of development cooperation. This builds on targets agreed in Monterrey, Brussels, and targets already set at national level by LDCs. Consideration is also given to including the targets from Paris and Accra, This proposal would avoid duplication by drawing from other existing monitoring efforts.

Participants should address the following questions:

- (i) What measures can be taken urgently to increase the quantity and quality of development cooperation for LDCs ?
- (ii) What should a global framework for mutual accountability between LDCs and donors on development cooperation issues look like? What should be the key elements and targets of such a framework ?
- (iii) How could a review of progress against this framework be structured and organised to avoid duplication of efforts ?

SESSION 3:

ACCOUNTABILITY FOR RESULTS: NATIONAL AND SECTORAL CHALLENGES

As reiterated in the 2010 MDG Summit, accountable and transparent delivery of development cooperation is a powerful driver to improve its quality and effectiveness in achieving sustained development results. There is general agreement that there has been far too little progress on mutual accountability for delivery and results of development cooperation, between recipients and providers of development cooperation, at both national and sectoral levels. However, there are positive lessons from some national and sector experiences.

The objective of this session is to present lessons learned at country- and sector-level on how development cooperation behaviour can be changed to bolster the impact of development cooperation on the ground. The discussion will serve to refine key messages/best practice guidelines that build on efforts to accelerate progress towards strong national mutual accountability, as outlined in *Conference Room Document 2*.

Thematic Dialogue A: What Works in National Mutual Accountability and Why?

National mutual accountability mechanisms are those in which recipient countries hold providers of development cooperation accountable for their aid, and are themselves held accountable for development results and aid management. To enhance development impact, the scope of discussions in such mechanisms should be broadened by looking not only at aid effectiveness but also at MDG results. They should also be closely linked to processes which ensure reporting on performance and development results to citizens.

Precise mechanisms look different in each country, because they build on different aid coordination forums and on different accountability structures between the government and its citizens. However, evidence points to the following critical components for ensuring two-way accountability between development cooperation providers and programme countries on aid:

1. a national aid policy clearly defining the priorities of the recipient government and its citizens;
2. a monitoring framework with clear targets for individual donors and the recipient government;
3. annual consultations led by the recipient government, with providers at the highest level;
4. frequent reviews of sectoral or thematic issues, feeding upwards into the annual high-level meetings;
5. participation of all stakeholders (including parliament, local government and Civil Society Organizations in all discussions;
6. comprehensive national-level information on aid quantity and quality reported to government through surveys and national databases;
7. adequate capacity in government and other stakeholder organizations (and among development cooperation providers) to monitor and analyse progress;
8. peer pressure among providers, and presence of a sufficient number of providers committed to accountability;
9. confidence and reciprocal trust between providers and recipients.

Reviews of existing country-level mechanisms conducted by the DCF secretariat and UNDP point to very limited progress in building mechanisms ensuring accountability of development cooperation providers and programme countries to one another. Providers are not adequately accountable to the recipient countries, while recipient governments are mainly answerable to providers instead of their own citizens. Parliaments, civil society organizations and other key national stakeholders are not yet adequately involved in these accountability processes. Nor are non-DAC providers of cooperation. However, a few countries do have strong mutual accountability mechanisms and positive experiences to share.

This debate will start with an overview on initial results from the UN 2011 mutual accountability survey and feedback from two sub-regional African workshops on mutual accountability as well as reflections from provider and civil society perspectives. The following questions will be addressed:

- (i) What key features of mutual accountability frameworks most ensure greater impact on the behaviour of providers of development cooperation and strengthen national ownership?
- (ii) What political or technical factors undermine mutual accountability at country level?
- (iii) What key indicators need to be included in national mutual accountability frameworks on aid commitments and results?

- (iv) What key changes in the quality and impact of development cooperation have resulted from mutual accountability ?
- (v) What are key next steps with regard to the improving mutual accountability between providers and recipients at national level?

Thematic Dialogue B: Strengthened accountability for better results in education

Education is a sector in which – in theory at least – accountability is relatively strong. All countries have signed up to detailed education MDGs. In addition, the Education for All (EFA) goals emanating from the UN World Conference on Education for All in Jomtien, Thailand in March 1990 – and especially the Education for All Fast Track Initiative (EFA-FTI)² - provides a global framework for accountability between development cooperation providers and programme countries on EFA commitments. Through this framework, programme countries design sector plans to reach the MDGs (and are provided support to design such plans), and providers align their support to these plans. Global sub-sectoral vertical funds, such as the ones present in the health sector have been largely absent from education. While these instruments initially undermined country leadership by prioritising particular diseases and operating outside country systems, they have mobilized increased amounts of resources.

In line with these global initiatives, there are two major coordinated global reports – the annual *Education for All Global Monitoring Report* produced by UNESCO and the *School Report* produced by the Global Campaign for Education – which track progress by recipients and providers at national and global level. Both are independent of political or government influence and therefore provide neutral and critical assessments.

At the national level, recipient countries have created dedicated fora to discuss progress on aid quality in specific sectors, including education. These agree sector targets based on national education strategies. They provide major potential for inclusive country ownership and accountability to citizens, especially on detailed delivery methods. They have helped to enhance the use of sector-wide approaches (SWAps) and direct budget support, allowing governments to have greater flexibility in implementing their sector plans and budgets. They have also encouraged clearer division of labour among development cooperation providers, through pooled or delegated cooperation; and increased use of recipient government financial management and procurement systems.

Partly as a result of these initiatives, there has been dramatic progress towards the education-related MDGs. Yet there remain strong concerns about development cooperation for education, including:

1. the major shortfall of amounts compared to EFA-related needs, estimated by UNESCO at US\$16 billion a year for low-income countries.
2. the underfunding of education sectors in post-conflict countries and others with special needs.
3. More needs to be done to align education aid with the education-related MDGs and EFA goals. Too much education aid continues to be spent on scholarship and training fees in provider countries rather than primary education.
4. under half of education aid is channelled via national public financial management systems.
5. despite the limited number of donors in the education field, coordination remains a major challenge.
6. in some instances, where there is less consensus between government and providers regarding key priorities for national policy goals and for delivery of development cooperation to support them. SWAps and sector working groups remain donor driven.
7. many country-level sectoral mechanisms do not contain strong or detailed targets for providers.
8. in many countries, parliamentarians, CSOs and non-DAC providers do not participate in education sector mutual accountability mechanisms.

² The Education for All Fast-track Initiative (EFA-FTI) was created as the first ever global compact on education, to help low-income countries achieve a free, universal basic education. It was launched in 2002 as a global partnership between donor and developing country partners to ensure accelerated progress towards the MDG of universal primary education by 2015. The FTI “compact”, based on mutual accountability, aims to provide the incentives and resources to empower poor nations to build and implement sound education plans. All low-income countries which demonstrate serious commitment to achieve universal primary completion can join FTI.

Progress in mutual accountability between development cooperation providers and programme countries on aid in specific sectors such as education has not been adequately analysed. The link between such accountability and development cooperation results likewise needs to be better studied. This session will provide the opportunity to discuss among all stakeholders, the strategies which have been used globally and in countries to strengthen mutual accountability in education, learning positive lessons from best practices to apply in other sectors, as well as negative lessons requiring further action to maximise results for education. The specific questions to be addressed in this session will be:

- i. What have been the successes and failures of global accountability mechanisms such as the Education For All Global Monitoring Report and the School Report of the Global Campaign for Education ? How could they be improved and what supporting structures are needed to allow them to be used as instruments to hold providers and recipients more accountable ?
- ii. What are the key positive and negative lessons of national mutual accountability frameworks in the education sector ? What types of targets can they set for providers as well as recipients ? What are the key factors which have allowed them to change recipient and provider behaviour and deliver greater results for education ?
- iii. How can participation of providers and non-governmental stakeholders be broadened at both global and national levels ?
- iv. How can these mechanisms intensify their efforts to address the special needs of low income conflict affected countries which are lagging most behind in achieving the EFA Goals?