



Special Policy Dialogue in preparation of the 2012 Development Cooperation Forum

*“Private philanthropic organizations in international development cooperation:  
New opportunities and specific challenges”*

**27 February, 10 a.m. – 1 p.m., New York**

**Background**

The 2005 World Summit mandated the Economic and Social Council (ECOSOC) to convene a biennial high-level Development Cooperation Forum (DCF) that would *review trends* in international development cooperation, including strategies, policies and financing; and *promote greater coherence* among the activities of different development cooperation actors. The objective was to promote development cooperation and strengthen its effectiveness and impact in achieving national development priorities and the Internationally Agreed Development Goals, including the MDGs.

The Forum provides an authoritative venue for global dialogue on aid quantity, quality, effectiveness and results. The broad range of providers and stakeholders – including UN Member States, multilateral organizations, non-governmental organizations, parliamentarians, local governments, private sector and private philanthropic organizations– come together to advance consensus on policies and practices that support national ownership and produce results and accountability of both providers and programme countries.

The first two DCF High-level Fora, held in 2008 and 2010 respectively, achieved considerable results in this regard. The 2012 DCF will continue to engage the rapidly growing range of providers and will focus on the role of private philanthropic organizations.

**Private Philanthropy**

In recent years, private philanthropic organizations or foundations from the North and South have significantly increased their commitments to development. Their cooperation has become all the more critical in times of scarce funding sources. A recent study for the DCF found that philanthropy has become in a very short period of time a key source of development finance. It complements flows from other providers and plays a vital role in meeting needs in critical sectors, such as health and education. There is thus need to better understand the role of private philanthropic organizations in international development cooperation and their impact on development results. The MDG Summit in 2010 recognized that and called on foundations to enhance their role in supporting national development efforts and the achievement of the MDGs.

Private philanthropy is said to have many advantages. Because foundations function outside official government channels, they can be more effective than official cooperation as they can take more risks and invest in more innovative projects. They can reduce transaction costs and respond more quickly to emer-

gencies because they are more efficient and nimble. They can be less susceptible to misappropriation because they deliver directly to civil society organizations and their aid is usually free from policy conditionalities.

Critics however argue that private philanthropy is often supply-driven and may not fully align with national development goals and strategies. Because it is often off-budget, it might use systems that are parallel to those of government, thereby complicating government’s financial management. It may increase fragmentation, especially if there are many organizations disbursing small amounts in an uncoordinated manner. It may also generate high overhead costs for administering small amounts of funds.

To date, there is little information or analysis to support or refute either set of arguments. Yet, a few foundations have started providing information on the volume of their cooperation, financing sources and modalities. Some also engage in country, regional and global policy dialogue on development cooperation and in partnerships to achieve shared development goals in a coordinated fashion.

**Special Dialogue**

This special dialogue will provide an opportunity for Member States, private philanthropic organizations and other stakeholders to discuss the comparative advantages and challenges of philanthropic aid in achieving development results. It will examine and draw lessons from good practice examples. It will also focus on how to further strengthen the role of private philanthropic organizations through partnerships with other stakeholders. The event intends to encourage the active engagement of private philanthropic organizations in international policy dialogue on development cooperation.

Key messages emanating from the discussion will be reflected in the Report of the Secretary-General for the 2012 DCF and in the DCF deliberations on this topic.

**Proposed structure**

- 10:00 – 10:05 a.m. Welcome by ECOSOC President
- 10:05 – 10:15 a.m. INTRODUCTORY REMARKS (Global Trends in Private Philanthropy)
- 10:15 – 11:30 a.m. INTERACTIVE PANEL 1: “Comparative advantages and good practices of private philanthropic organizations in achieving development results”
- 11:30 – 12:45 a.m. INTERACTIVE PANEL 2: “Maximizing development impact through partnerships”
- 12:45 – 1:00 p.m. CONCLUDING REMARKS