

# Official launch of the Development Cooperation Forum

## Introduction

The Development Cooperation Forum (DCF) was officially launched on 5 July 2007 as part of the High-level Segment of the Economic and Social Council (ECOSOC) in Geneva. Initially conceived in the Report of the Secretary-General's 2004 High-level Panel on Threats, Challenges and Change<sup>1</sup>, the Forum was formally established at the 2005 World Summit in order to deepen the global dialogue on development cooperation issues.<sup>2</sup>

Within the framework of the High-level Segment of ECOSOC, the General Assembly further entrusted the DCF with a 'distinct identity' to give policy guidance and recommendations to promote more effective international development cooperation. In addition, the DCF was tasked with identifying gaps and obstacles with a view to make recommendations on practical measures and policy options to enhance coherence and to promote development cooperation for the realization of the internationally agreed development goals (IADGs), including the MDGs.<sup>3</sup>

In anticipation of the first biennial Development Cooperation Forum in 2008, the official launch included a plenary session followed by two roundtables on: "Promoting greater coherence among development activities of different development partners: *the role of national aid coordination and management*" and "Review of trends in international development cooperation: *South-South and triangular cooperation*". In addition, an informal Stakeholder Forum was convened to discuss the role of the DCF in promoting enhanced oversight of aid commitments and aid effectiveness for the realization of the internationally agreed development goals.

## Plenary session: *setting the stage*<sup>4</sup>

The statements delivered during the plenary session conveyed great expectations for the DCF, in particular with a view to improving the governance, effectiveness and impact of development cooperation for the achievement of the internationally agreed development goals. The Forum was also expected to strengthen the policy coordination role of ECOSOC over the UN development system and to tighten the link between the operational and normative work of the UN system. In addition, properly defining the goals, direction, priorities and modality of the DCF was seen as key to the success of the Forum.

An important role of the DCF, as a universal and inclusive platform, would be to engage all relevant actors in a multi-stakeholder dialogue on development cooperation. This should help ensure development cooperation becoming more coordinated and coherent as well as achieving desired objectives and results. In this process, the Forum should also clarify and strengthen mutual accountability between development partners. This would require further elaboration on indicators and benchmarks to measure the implementation, effectiveness and results of development cooperation which could be drawn from the existing framework on aid effectiveness.

The DCF would be well-positioned to review the quantity and quality of development assistance, including the aid architecture, the implementation of the aid effectiveness agenda and the comparative advantages of different donors. This should be seen against a backdrop of dysfunctional international development cooperation due to weak coordination among actors and insufficient links with the main beneficiaries of development assistance. While it was also proposed that the Forum should address new trends in international development cooperation such as energy security and climate change, it was also noted that in order for the DCF to have an impact the agenda should be clear, feasible, and reasonably focused.

Issues to be addressed by the DCF should emerge from the available information and data gathered in the course of preparations rather than being predetermined long in advance, unless decided otherwise by ECOSOC. It was observed that the effectiveness of the Forum would depend considerably on the nature and quality of the documentation and data prepared for its consideration. Furthermore, the DCF should follow the principle of gradual progress, consensus and ensuring equal participation of developing countries in the process. Finally, it was emphasized that the preparations for the first DCF in 2008 should be closely coordinated with related events such as the High-level Forum on Aid Effectiveness in Accra in September 2008 and the Financing for Development Follow-up Conference in Doha in December the same year.

## **National Aid Coordination and Management**

As a precursor to the debate of the first biennial Development Cooperation Forum in 2008, a number of thematic issues were prominent in the first roundtable discussion. Bearing in mind that development cooperation is only one of many processes which enable developing countries to fulfill their needs and meet their priorities, part of the discussion focused on how nationally-owned development processes may enhance the coherence of development activities at the country level.

National ownership and leadership were considered cornerstones in driving a sustainable development process based on country priorities. In addition to clear institutional frameworks and effective information systems for aid coordination and management, strong government leadership was also seen as a prerequisite for country-led partnerships. It was noted that these components are more likely to be in place when the partnership with stakeholders is well-established.

Ensuring streamlined delivery of development assistance through various aid modalities was seen as an important part of enabling developing countries to take the lead in the national development process. It was noted that the use of basket funding and general budget support increases the predictability, availability and disbursement of external resources, as well as enhancing domestic accountability of the government by parliament, which otherwise is generally not the case with other funding mechanisms. It was also pointed out that many donors face difficulties in making multiyear commitments due to constraints imposed by parliaments.

Ensuring parliamentary oversight in recipient countries, anchored in a well-functioning budget system, as well as public perception on the part of donors were mentioned as challenges in providing

assistance, yet at the same time these were considered instrumental in strengthening national systems and thereby building and maintaining domestic accountability.

The multitude of development actors, often combined with less-than-flexible legislation and policies of donors at headquarter level, was viewed as a daily challenge for developing countries, however it was also recognized that some of the development actors that were exacerbating the fragmented aid architecture, were similarly part of the solution in terms of providing needed support. In addition to calls for a more harmonized approach by donors at the country level, it was proposed that donors should also take advantage of holistic approaches as a way of engaging national expertise through line ministries and other stakeholders in donor countries.

The building of national capacities at all levels for effective management and coordination of development assistance, including monitoring and evaluation, was as a recurring theme, yet attention was drawn to the potential pitfall of prioritizing short-term results over long-term sustainability of national capacities. Decentralization was considered an effective way of building capacities at lower levels thereby enabling the delivery of services closer to people while decreasing the cost of execution.

With regard to countries in transition from relief to development, the international community was not considered to have been vigilant enough in supporting these countries. It was noted that such countries should not be penalized for having limited capacities for national ownership and that the DCF could be conducive in developing instruments to assist the transition.

### **South-South and Triangular Cooperation**

The discussions in the second roundtable focused on the growing importance of South-South and triangular cooperation. In what was described as the “second wave of globalization”, the South has emerged as a key player in the world economy, along with the complementarities that this has created among developing countries. Encompassing a wide range of activities such as trade, investment, finance, technical cooperation and technology transfer, South-South cooperation was considered particularly effective in harnessing the experiences of other developing countries and in supporting the development efforts of those countries currently left behind in the world economy.

Despite impressive growth in South-South cooperation, challenges remain with two-thirds of the total trade volume among developing countries concentrated in Asia. The need to diversify this pattern was highlighted, for example, through better linking of existing regional trade agreements. It was also noted that approximately seventy per cent of total trade tariffs paid by developing countries are paid to other developing countries.

The strengthening of various institutional mechanisms under the aegis of the United Nations for supporting South-South Cooperation was mentioned as an opportunity to improve synergies with the ongoing development activities of the UN. It was proposed that the DCF could seek to improve the understanding of such cooperation and further promote the benefits derived from these

activities. The Forum was also considered well-positioned to foster enhanced dialogue between North-South and South-South processes. In addition, it was suggested that the DCF could contribute to the monitoring and follow-up of decisions among developing countries on South-South cooperation.

It was emphasized that South-South development cooperation should not be viewed as a substitute to North-South cooperation considering that traditional development assistance provides an essential source of support for developing countries. In this regard, the DCF was seen a potential venue for reviewing South-South and triangular cooperation flows, in particular considering the scope for improved, comparable and transparent data on these activities. Furthermore, the DCF could take a comprehensive view of all types of development cooperation and contribute to the overall coherence of development efforts.

With regard to triangular cooperation, the Forum was considered a possible platform for identifying good practices and a potential monitoring mechanism with lead countries in each region guided by the respective Regional Commission. The regional dimension was also stressed in respect of building a better functioning framework on regional trade integration. This was accompanied by calls for a successful conclusion of the Doha round and the negotiations on the Global System of Trade Preferences among developing countries.

### **Stakeholder Forum: *the role of the DCF?***

In connection with the official launch, discussions also took place at a Stakeholder Forum convened to seek the views of a wide range of development cooperation actors on how the DCF could promote enhanced oversight of aid commitments and aid effectiveness in the pursuit of coherent and effective development cooperation. Among the many suggestions, it was mentioned that the DCF could provide a locus where the review of global instruments with concrete political and financial commitments, such as the 2002 UN Monterrey Consensus, and actionable agendas, such as the 2005 Paris Declaration, would inform international action and stimulate aid effectiveness on a resource, results and mutual accountability platform.

While the potential of the DCF to have an impact on the coherence and effectiveness of development cooperation was recognized, it was also highlighted that failing to realize this opportunity would be detrimental to actors investing time and scarce resources in the process. Building support among Member States for the DCF achieving an outcome that meets the expectation of stakeholders should therefore be assigned high priority in the preparations for the first Forum. In this regard it was proposed that besides focusing on progress in aid effectiveness and commitments, the Forum would also address structural and institutional logjams that hold back development.

The DCF could discuss ways of achieving donor coherence at the country level through enhanced national ownership and locally developed visions for development while also identifying and addressing the principal obstacles to strengthening country-led development cooperation, in

particular structural and capacity barriers. The Forum could furthermore help assess whether donors are changing policies and working methods accordingly and whether these actions enhance mutual accountability, transparency and results.

In terms of scaling-up of aid, the DCF could contribute to improving the transparency on whether commitments and roadmaps are being respected and furthermore help mobilize political support for the international development agenda, including increased aid flows. The importance of showing results was emphasized as a means to ensure political and public support, in particular since perceptions tend to overestimate inputs and underestimate results of the development process. Concern was expressed that development aid was not increasing sufficiently due to reservations over the ability of national capacities to absorb enhanced flows. The DCF could play an important role in assessing the readiness of countries to absorb the planned up-scaling of aid.

It was proposed that the DCF could be instrumental in accounting for the changing aid architecture and the increasing importance of various development actors, including special purpose funds, foundations and developing countries contributing to development activities in other developing countries. In bringing development actors together at the global level, the DCF model could also be replicated at the national level with a similar set of actors. South-South cooperation was mentioned as another area where the DCF could play a catalytic role by promoting policy dialogue as well as exchange of experiences and best practices. Moreover, the development cooperation challenges facing countries in transition from relief to development were highlighted again as warranting special attention by the international community.

Several participants raised the issue of climate change as an emerging development challenge in many developing countries. Notwithstanding the concern that climate change could take away resources from achieving key poverty reduction objectives, it was noted that this issue is taking centre stage in development. The DCF could help address climate change in a way that would not shortchange aid for development, but rather stimulate partnerships at the country-level. Such partnerships could be built around national development strategies and the formulation of aid strategies which should be sufficiently comprehensive to respond to climate change, vulnerability and other sustainable development goals while providing longer-term, predictable resources.

Finally, it was noted that one critical challenge for the DCF will be to measure its success in terms of impact which in part would rest on a thorough understanding of what actions would be feasible and what would be beyond the reach of the Forum. As part of this process, the preparatory process for the 2008 DCF will include a number of regional consultations as well as High-level Symposiums, including one in Egypt by the end of 2007.

## **Key policy messages**

A number of key policy messages emerged from the official launch of the DCF and related events in respect of the first biennial Forum to be held in July 2008. More specifically, participants expressed the views that the DCF should:

1. Clarify and strengthen mutual accountability mechanisms for all stakeholders involved in development cooperation, including extending the measurement of the implementation, effectiveness and results of development assistance;
2. Promote results achieved in development cooperation in order to ensure *political and public support*, especially since perceptions tend to overestimate inputs and underestimate results of development processes;
3. Contribute to improving transparency on whether commitments and roadmaps for scaling-up of aid are being respected and help increase the predictability, availability and disbursements of external resources;
4. Assess progress in strengthening the normative-operational link in development cooperation through effective mainstreaming of globally agreed principles into the policies and working methods of stakeholders at the country-level;
5. Seek to improve the understanding and further promote the benefits of development cooperation between developing countries, including third-party developed countries, as well as policy dialogue between North-South and South-South processes while recognizing that South-South and triangular cooperation is not a substitute for traditional North-South cooperation;
6. Give consideration to countries in transition from relief to development, in particular due to the scope for developing successful instruments to assist such countries;
7. Become a venue for dialogue on major emerging global challenges having an impact on international development cooperation, including issues such as climate change as it relates to development; and
8. Conduct its work according to an agenda that is clear, feasible and reasonably focused in order to have an impact on the coherence and effectiveness of international development cooperation.

## Notes

- <sup>1</sup> The Secretary-General's Panel suggested that ECOSOC "can provide a regular venue for engaging the development community at the highest level, in effect transforming itself into a "development cooperation forum", A/59/565 (2004).
- <sup>2</sup> See A/RES/60/1.
- <sup>3</sup> See A/RES/61/16.
- <sup>4</sup> For complete statements, please go to: [www.un.org/ecosoc/newfunct/dcflaunch.shtml](http://www.un.org/ecosoc/newfunct/dcflaunch.shtml).