

AUSTRIA

Excellencies,

Ladies and Gentlemen!

Today I am very pleased to have the chance to report to you on the first preparatory event on the way to the launch of the DCF, organized in cooperation with the Government of Austria and supported by UNDESA, which took place in Vienna from 19<sup>th</sup> to 20<sup>th</sup> of April 2007.

The establishment of the Development Cooperation Forum (DCF) was a significant step in the implementation of the global partnership for development, as set out in the Millennium Declaration and the Monterrey Consensus as well as at the 2005 World Summit.

As you know, the main purpose of the DCF is to promote more effective and coherent development cooperation for the realization of the internationally agreed development goals. Towards that objective, the Forum is expected to further strengthen political oversight of aid commitments and aid effectiveness. As the main strength of the DCF we consider its ability to promote an inclusive process, where all stakeholders have the possibility to raise their voices so that they are enabled to participate in global dialogue and policymaking. Thus the DCF will enjoy high political legitimacy.

The theme of the Vienna High Level Symposium was "Country-level experiences in coordinating and managing development cooperation". It was organized as a multi-stakeholder event, with the participation of high-level individuals in an expert position. Among the participants we could welcome representatives from developed countries (for example heads of Development Cooperation from Norway, Finland, Turkey, ...) and developing countries (for example Victor Borges, the Minister for Foreign Affairs of Cape Verde), United Nations organizations, the World Bank, the International Monetary Fund (IMF), the Development Assistance Committee of the Organization

for Economic Cooperation and Development (OECD), bilateral aid agencies, regional and international organizations as well as representatives from civil society and the private sector. Bangladesh, Cape Verde, Indonesia, Mozambique, Rwanda, Uganda and Viet Nam contributed in a crucial way to discussions by presenting country case studies. The introduced local examples and recent experiences in coordinating and managing development aid turned out to be a great benefit for the Forum.

In his welcome remarks, the President of the Economic and Social Council, Dalius Cekuolis, opened the Symposium by emphasizing the importance of the event for the following launch of the Development Cooperation Forum in Geneva in July 2007 and for the holding of the first Forum in New York in 2008.

The Under-Secretary-General of UNDESA, José Antonio Ocampo, gave a speech on “Promoting the global partnership for development” and outlined that in his view, the DCF would become a major instrument of the international community in promoting more effective and coherent development cooperation for the realization of the internationally agreed development goals.

Johannes Kyrle, Secretary-General for Foreign Affairs of Austria, singled out the commitments of the European Union to increase overall development assistance flows. I had the honour to conclude the opening session by drawing attention to several current trends aimed at reforming global development cooperation.

The objectives of the Viennese symposium were threefold:

Firstly, we intended to analyze how well recipient countries and donors have realized several key policy goals established at the 2002 Monterrey Conference on Financing for Development and the 2005 World Summit, regarding the management and coordination of development cooperation at the country-level.

Secondly, our stated aim was to identify the most difficult challenges facing recipient countries and donors in realizing current goals.

Last but not least, we were determined to propose policy options in those thematic areas where there are possibilities for consensus among stakeholders in order to push ahead the preparations leading up to the 2008 DCF in New York.

The symposium made it possible to review bilateral and multilateral efforts to reform development cooperation. It consisted of plenary sessions and roundtable discussions.

Panels covered six thematic areas/questions:

- **National development strategies as frameworks for development cooperation**

Despite the general consensus on the important role of ownership, there were also doubts regarding the validity of the terminus “ownership” in a non or ambiguous democratic setting.

Also the PRSPs were questioned as the “ultimate” in national development planning. The question was also raised if the concentration on the MDGs leads to a neglect of essential fields like trade, employment, climate-change. Another emerging question referred to the quotation of bilateral and multilateral programmes to development plans in such manner and asked if this leads to a marginalization of UN-organizations with sectoral responsibility?

- **Assessments of development effectiveness**

(“lessons learned”)

On the part of UN-representatives it was reported that the implementations of the High Level Panel on System Wide Coherence first and foremost would lead to reforms at the field level and contribute to the “One-UN” pilots – initiative. It was noted that there are still taxing challenges, like balancing the normative and operational role of UN organizations as well as efforts to reform and ownership. Discussions focused on the necessity to enhance capacity building.

- **Predictability and stability of development aid**

("What can donors and recipient countries do to enhance the predictability and stability of resource flows?")

Whereas some participants emphasized the "good news" (for example Vietnam's performance), others raised the question why the amount of official development assistance decreased by 2 percent in the year 2006 and wondered if this was a sign for a more general unpredictability of financial donation.

- **National capacities for administering aid**

("Are capacities for aid coordination and management in recipient countries fit for up-scaling of aid?")

Using the example of Uganda, we noticed that harmonization overall still needs to be deepened. As a precondition for higher amounts of financing capacity building in the areas of statistics, parliaments, local administration and civil society was seen as important. In conclusion, we discussed the danger of "dutch disease" as well as the low success rate of capacity building.

- **Monitoring of aid quality**

("Improving the monitoring of aid quality")

The importance of being conscientious about the purpose of monitoring aid quality was accentuated.

The presentation of the Mozambique Performance Assessment Framework raised many far-reaching questions.

- **Donor harmonization**

(Stepping-up progress in donor harmonization")

The Minister for Foreign Affairs of Cape Verde, Victor Borges, explained the reform initiatives and challenges currently faced in his country. In the following discussions it was made clear that the debate on donor harmonization should always be seen as a means to improve the impact of development assistance. Although there has been progress in donor harmonization at the country level, there is still the need for streamlining of actions of donors at that level, including their interface with partner

countries. The experience of the first UN joint office pilot led to the conclusion that it is necessary to deepen the dialogue between donors themselves. In Cape Verde as well as in the other pilot countries the creation of a joint UN programme based on UNDAF would be the first step. In the discussion questions were raised about resource mobilization by individual agencies at the field level, aid darlings and the inclusion of IFIs in intergovernmental debates on UN reform.

The key policy messages deriving from the discussions held at the Vienna symposium were as following:

National Ownership, participation and accountability were highlighted as principles for achieving sustainable development results.

There was general consent about the important role of ownership which means that developing countries lead in partnership with donors, in defining the framework and process for cooperation.

The credibility, the impact and the sustainability of the development process depends in a crucial way on the participation of non-State actors in the formulation and implementation of national development plans. Policy dialogue processes were seen to benefit from a broad range of perspectives.

Partnership in the development context (and generally) requires the recognition of partners as equals. It's essential that they stick to agreed frameworks and commitments in respect of development assistance. Hence national stakeholders should increasingly be empowered to hold governments accountable for the impact of aid.

With reference to development effectiveness, the nature and form of economic growth is as important as the rate of growth. Adequate aid and investments in productive sectors vis-à-vis the social sectors have to be included in the process of achieving the Millennium Development Goals.

It is very important that we ensure national capacities for designing and implementing aid management strategies because this is a precondition for the leadership of partner countries in the aid partnership.

Predictable and stable funding is of particular importance to fragile States. Donor countries should be observant of meeting aid commitments accordingly.

Governments are accountable to their citizens. Effective information activities on development assistance is key to enabling the public to play a constructive role in aid monitoring.

The original idea of development cooperation as "North to South" is productively complemented by South-South and triangular cooperation to build national capacities.

The Vienna High-Level Symposium deepened the understanding among all stakeholders, bilateral, multilateral, financing institutions, of existing coordination mechanisms and their interface with national development strategies.

It set the stage for the second DCF-preparing event in Cairo in January 2008, where the main emphasis was put on trends in Development Cooperation, covering South-South and triangular cooperation as well as aid effectiveness.

Thank you.