



**Opening Statement by
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TO THE VIENNA HIGH-LEVEL SYMPOSIUM
Vienna, 19 April 2007**

Excellencies,
Ladies and Gentlemen,

Allow me, first of all, to thank the Austrian Government for making this high-level Symposium possible. We, in the United Nations Department of Economic and Social Affairs, have highly appreciated this opportunity to work closely together with our Austrian counterparts in preparing for this meeting. I would also like to express my gratitude to all who will take part in this Symposium over the next two days.

Personally, I am delighted to participate in this Symposium that marks the beginning of the preparations for the upcoming launch of the Development Cooperation Forum that, as you know, will take place during the High-level Segment of the Economic and Social Council in July.

As mentioned by the President of ECOSOC, Ambassador Čekuolis, the establishment of the Forum was one of the major outcomes of the 2005 World Summit. As such, the Forum is expected to become a key instrument of the Council in promoting more effective and coherent development cooperation for the achievement of the internationally agreed development goals, including the MDGs.

Global partnership for development

The establishment of the Development Cooperation Forum is also a significant step in the implementation of the global partnership for development, as set out in the Millennium Declaration and the Monterrey Consensus, and reaffirmed at the 2005 World Summit.

This global partnership for development entails commitments by countries to sound policies, good governance, and the rule of law. It also calls for mobilizing domestic resources, attracting stable international capital flows to developing countries, and promoting international trade as an engine for development. It involves increased international financial and technical cooperation for development, sustainable debt financing, and external debt relief. And it includes enhanced coherence and consistency of the international monetary, financial, and trading systems.

There has been progress in several areas of the global partnership for development. Particularly since Monterrey, the long-term decline in official development assistance has been reversed—though with a temporary setback in 2006; we now have an agreed framework on aid

effectiveness; a number of countries have benefited from debt relief; and both domestic and foreign direct investment have been increasing in developing countries.

There are, however, growing concerns, particularly among developing countries, that this partnership has not yet lived up to expectations. This is evident indeed in some critical areas, particularly trade, the participation of developing countries in international economic decision-making, in reducing the vulnerability of developing countries to financial market volatility, and in guaranteeing the stability of the international monetary system. This should be alarming to all governments as continued lack of progress in these key areas may well have a negative impact on cooperation in other important areas as well.

Effective and coherent development cooperation

An important part of the global partnership is the promotion of more effective and coherent development cooperation. By “coherent” we mean development assistance that is guided by a shared set of development priorities that are owned by all stakeholders. Member States have decided that the internationally agreed development goals constitute such an overarching framework for development aid. They have also mandated the Economic and Social Council to coordinate the implementation of this global development agenda and created the Development Cooperation Forum as an instrument of the Council to enable it to perform this role effectively.

The main purpose of the Development Cooperation Forum is therefore to promote more effective and coherent development cooperation for the realization of the internationally agreed development goals. Towards that objective, the Forum is expected, in particular, to further strengthen political oversight of aid commitments and aid effectiveness.

On the first of these issues, there has also been a significant recovery of ODA since the 2002 Conference on Financing for Development, and additional commitments were made in 2005 by both the European Union and the G7. It must be recognized, however, that the recent surge in ODA has stemmed from debt relief and emergency assistance. Indeed, due to the lack of large debt relief packages such as those approved in 2005, development aid from OECD countries fell by 5.1 percent in constant dollars in 2006, the first such setback since Monterrey. South-South cooperation seems to be increasing rapidly, as reflected for example in booming Chinese cooperation with Africa, but we do not have today a global measurement that would allow us to capture its specific magnitude, modalities and trends.

Nonetheless, and despite progress in improving aid effectiveness in recent years, much remains to be done. First, there is an urgent need for enhanced governance of the international aid system. This system has become increasingly complex and fragmented and insufficiently coordinated. It consists of a plethora of multilateral and bilateral players, an increasing number of new donor countries, and a growing number of special purpose global funds. To this complexity, we should add the growing role of NGOs and the private sector in development cooperation.

Second, there is need for improvement in the delivery and use of development aid. Donor countries need to continue to increase the quality and quantity of their support, while developing countries should maintain their commitment to using official development assistance,

multilateral and private financing, and their domestic resources more effectively. Efforts on both fronts have in many cases been too timid.

Donors, for instance, have not yet made adequate progress in aligning their ODA with national development priorities, in un-tying aid, and in harmonizing their own policies and procedures at the country level. As recently reported by OECD, 31 developing countries received close to 11,000 donor missions in 2005—that is almost one a day per country. Clearly there is room for streamlining and improvement. Also, some developing country governments receive large amounts of aid, possibly even more that they can absorb, while others suffer from serious underfunding. ODA continues to be volatile for individual countries, indeed according to some analysis as volatile as private capital flows for developing countries.

Developing country governments also need to make more efforts to keep their side of the bargain. Several recipient countries have shown too little progress in formulating and implementing credible, inclusive, and comprehensive national development strategies. Similarly, progress in building institutions and systems for effective use of development aid has not always lived up to expectations. Of course, international partners have a role in supporting such efforts.

This challenge of building genuine support and engagement among all stakeholders for significant improvements in the quality and quantity of development aid—as well as greater effectiveness in its use—will be one of the central tasks of the new Development Cooperation Forum.

Building on the global consensus on development assistance

In pursuing these goals, the Forum will build on strong foundations established by other key fora, particularly those established to follow-up the commitments made at Monterrey and the Paris Declaration on Aid Effectiveness.

These fora have fostered global consensus in several areas for more effective development cooperation. Through careful negotiations, governments have agreed to use national development strategies as frameworks for development cooperation. Similarly, the importance of strong national ownership as the basis for the cooperation is now universally endorsed, as is the need to anchor the implementation of development cooperation in national public financial management and procurement systems.

In this context, the strength of the Development Cooperation Forum will be its ability to promote an inclusive process, anchored in quality analysis, where the voices of all stakeholders can be heard in global dialogue and policy-making. No other arena can provide such political legitimacy.

The timing of the Forum's establishment is also propitious. As I have already pointed out, pledges have been made for the up-scaling of official development assistance, and new donors and special purpose funds are emerging. The Development Cooperation Forum has the potential to become a key mechanism for pushing international development cooperation further in the same positive direction.

This, of course, will happen in unison with other initiatives. The deliberations during this Symposium and during the launch of the Forum in July, will, for example, feed into the High-level Dialogue on Financing for Development in the General Assembly this fall, as well as next year's follow-up conference to Monterrey in Doha. The Forum will also need to work closely with the Third High-level Forum on Aid Effectiveness, which will take place in Ghana next year as well as other related fora, such as the African Development Forum convened by the Economic Commission for Africa.

With these words on how the Development Cooperation Forum can bolster the global partnership for development, I will now give the floor to Ambassador Johannes Kyrle, Secretary-General for Foreign Affairs in the Government of Austria, who will officially open our meeting.