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**Draft closing statement by
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HIGH-LEVEL SYMPOSIUM on “WORKING TOGETHER TO INCREASE THE
DEVELOPMENT IMPACT OF AID”
Luxembourg, 19 October 2011**

(Madame la Ministre),

Mr. President,

Excellencies,

Ladies and Gentlemen,

Let me first join you, Mr. President, in thanking the Government of Luxembourg on behalf of the Secretary-General.

This symposium has been brimming with enthusiasm and ideas.

We started on a high note. The commitment of Liberia to become aid free by the end of the next decade is a powerful message.

It speaks to the determination of developing countries to lift themselves out of poverty – and carve the policy space they need for this.

It is precisely for this reason that aid is so necessary and urgent. Aid is a “must” to bolster the efforts of developing countries to chart their own development course. Aid commitments must be honored. Closing the “MDG financing gap” is essential to achieve the MDGs by 2015.

Maximizing its impact of aid is equally crucial. The current economic and fiscal difficulties have made it even clearer.

Our symposium confirmed – if there was need- that there is no simple way of doing it. But we have learned a lot. Our vision of the various policy options has become sharper. Your various points of views and the worries of many about today’s trends and changing ‘political economy’ have become apparent.

There are several pathways through which aid impacts on progress towards the MDGs.

Be it supporting social programmes or catalyzing other sources of development finance, all are important.

Where used effectively aid has helped countries build the infrastructure and a well-educated and healthy labor force, which is essential to build investment and productive capacities.

But the impact of social programmes is visible only in the long run. On the other hand, using aid for leveraging development finance bolsters growth. But it does not respond to immediate crying human development needs.

A consistent message was that it is for developing countries to decide where aid will have maximum impact at national level.

At international level, it is not clear whether aid allocations mechanisms are leading to optimal impact of aid. The situation of aid orphans continues to be of great concern. LDCs face a critical lack of resources.

The key question is not so much whether to mobilize financial flows – but how to ensure that those financial flows are those that will have maximum impact on the MDGs and the lives of people.

Some flows such as budget revenues, domestic finance, innovative funding give more autonomy to developing countries. Some minimum standards are needed so that financial flows impact on development.

It is important to support the capacities of developing countries to deal with various financial flows and guide resources to support their national development strategies. But the role of the international community cannot be overstated.

Living up to promises made is the cement that keeps the international community together. Many commitments have remained 'lettre morte'. There must be a joint effort to enhance accountability between donors and programme countries on commitments made.

Accountability is a two way relationship between equal partners. It should engage parliaments as oversight bodies, local governments and civil society. Mutual accountability mechanisms need to review in a simple manner how specific commitments on aid are implemented on the ground. This requires simple aid policies, with concrete targets and indicators. High-level regular consultations among development actors are also important to take stock of progress made. Some felt that Southern providers of development cooperation should engage in such processes.

The global and regional level dialogue has a critical role to help ensure accountability. The United Nations, OECD and other international and regional mechanisms should

build on their respective comparative advantage and maximize synergies. Monitoring should be customized to respond to the needs of developing countries.

An important message from your discussion was that OECD/DAC processes have generated a step change in aid effectiveness. But the considerable advances made developing countries have yet to be matched by progress in donor countries.

The Development Cooperation Forum has authority to review progress on development cooperation, including on mutual accountability and policy coherence. It should play the role of a global apex body.

It also allows the sharing of practices in using aid as a leverage, while maximizing its impact on sustainable development. South-South cooperation has an important role in this context.

These two days have enabled us to break new ground, and advance the debate on maximizing the impact of aid and mobilizing financial resources through aid. Your messages will resonate at the upcoming High level Forum on aid Effectiveness. They will be further elaborated when the DCF meets at the end of June.

I thank all of you for sharing such a wealth of ideas.

I wish you a safe journey home.