

## Compilation and Facilitators' Proposals: 6 November 2008

### **Increasing international financial and technical cooperation for development**

31. We reaffirm the crucial [EU: “~~erueial~~”] [US: “~~erueial~~”. Insert “catalytic”] role of [US: “~~of~~”. Insert “that”] ODA [EU: Insert “as a complement to and a leverage for other sources of financing for development”] [CANZ: Insert “as a complement to other sources of financing for development”] [US: Insert “can play”] in supporting [NOR: Insert “sustainable”] development and facilitating the achievement of the [CANZ: “~~the~~”] internationally agreed development goals, including the Millennium Development Goals. [G77: Insert “Aid can play a catalytic role in removing constraints to growth such as enhancing social and physical infrastructure, technological innovation, empowering women and combating poverty.”] ODA is [US: “~~is~~”. Insert: “can be a”] particularly important for the countries of Africa, the least developed countries, landlocked developing countries and small island developing States, and it also often constitutes a critical element in peacebuilding efforts. [G77: “ODA is particularly important for the countries of Africa, the least developed countries, landlocked developing countries and small island developing States, and it also often constitutes a critical element in peacebuilding efforts”. Insert “For many countries in Africa, least developed countries, small island developing States, landlocked developing countries and those emerging from conflicts, ODA is still the largest source of external financing and is critical to the achievement of the development goals and targets of the Millennium Declaration and other internationally agreed development targets.”] [JPN: “~~and it also often constitutes a critical element in peacebuilding efforts~~”. Insert “We also reiterate the importance of providing seamless assistance to peacebuilding efforts, with a view to severing the vicious cycle of poverty and conflict.”] We are encouraged by good practices carried out to strengthen the partnership between developing and developed countries [JPN: “~~between developing and developed countries~~”] on the basis of the principle of national ownership and leadership. [G77: Insert “We are encouraged by good practices carried out to strengthen the partnership between developing and developed countries on the basis of the principle of national ownership and leadership.”] [EU: Insert “Developed and developing countries have agreed that strengthening national leadership and ownership of development processes and outcomes is a major priority. We are encouraged that some progress has already been made towards this goal and that strong commitment to redoubling this effort was expressed at the recent Accra High Level Forum on Aid effectiveness.”] [US: Insert “Without a national leadership’s strong commitment to reform and development results, ODA alone cannot be expected to catalyze growth, private sector development or job creation.”]

**Facilitators’ Proposal for Para 31:** We reaffirm the key role ODA can play as a complement to other sources of financing for development and facilitating the achievement of internationally agreed development goals, including the Millennium Development Goals. Aid can play a catalytic role in removing constraints to growth such as enhancing social and physical infrastructure and technological innovation, empowering women and combating poverty. For many African countries, least developed countries, small island developing States and landlocked developing countries, ODA is still the largest source of external financing and is critical to the achievement of the development goals and targets of the Millennium Declaration, and other internationally agreed development targets. We recognize that strengthening national leadership and ownership of development processes and a strong commitment to sound policies and development results are critical elements for ODA to catalyze growth and sustainable development. We welcome the progress already made towards these goals.

32. We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms doubled between 2001 and 2007 [EU: Insert “~~and a significant part of this doubling of aid comprised growing debt relief~~”]. [G77: “~~We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms doubled between 2001 and 2007.~~”] However, we note with concern the overall decline in ODA in 2006 and 2007 and that a

significant part of this doubling of aid in the previous period comprised growing debt relief [G77: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~. Insert “and that a significant part of aid flows after 2002 comprised debt relief and humanitarian assistance.”] [EU: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~]. [CANZ: ~~“and that a significant part of this doubling of aid in the previous period comprised growing debt relief”~~] [NOR: Insert “and to some extent also an increase in humanitarian assistance”] The aid absorptive capacity of [CANZ: Insert “some”] developing countries [NOR: ~~“aid absorptive capacity of developing countries”~~ Insert “capacity of developing countries to absorb long term development aid”] has increased [EU: ~~“increased”~~ Insert “begun to increase”] significantly as a result of their improved domestic policies. We are encouraged that some donor countries have already made [CANZ: ~~“made”~~. Insert “met their”] ODA commitments [G77: ~~“already made ODA commitments”~~ Insert “established timetables for fulfilling their long-standing ODA commitments”], such as the European Union for [G77: ~~“for”~~ Insert “to reach”] 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets [EU: ~~“targets”~~. Insert “commitments”] [US: ~~“targets”~~. Insert “commitments on ODA”] by the G-8 countries in Hokkaido, Japan, to increase their [US: ~~“their”~~. Insert “together with other donors”] ODA to \$130 [US: ~~“to \$130”~~. Insert “by \$25”] billion by 2010 [EU: ~~“to increase their ODA to \$130 billion by 2010.”~~ Insert “to working to fulfil their commitments on ODA made at Gleneagles. The OECD/DAC estimated the global increase of ODA by 2010 at around US\$ 50 billion a year.”]. [G77: ~~“We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010.”~~ Insert “We are also encouraged by the fact that some of these countries have met or surpassed the 0.7% target of GNI for ODA”] [JPN: ~~“We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010.”~~ Insert “We also welcome the declaration of the G-8 countries adopted in Hokkaido, Japan, that they are firmly committed to working to fulfill their commitments on ODA, including increasing, compared to 2004, with other donors, ODA to Africa by US\$ 25 billion a year by 2010.”] The full implementation of these targets [G77: Insert “,however,”] [EU: ~~“targets”~~. Insert “commitments”] [JPN: ~~“targets”~~. Insert “commitments”] is vital to [US: ~~“is vital to”~~. Insert “will”] substantially boost the resources available to push forward the international development agenda. [G77: Insert “We emphasize that the ongoing financial crisis should not dilute commitment of developed countries for meeting their aid commitments. We also note with concern that there continues to be a net outflow of resources from developing to developed countries, in many cases far surpassing the inflow of ODA”] [CANZ: ~~“such as the European Union for 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to increase their ODA to \$130 billion by 2010. The full implementation of these targets is vital to substantially boost the resources available to push forward the international development agenda.”~~] [RUS: When drafting paragraph, consider language contained in G-8 communique from Hokkaido]

[Possible technical update. 32. We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the overall volume of aid flows. ODA in real terms increased by 40 per cent between 2001 and 2007. However, we note with concern the overall decline in ODA in 2006 and 2007 and that a significant part of the increase in the previous period comprised growing debt relief. The aid absorptive capacity of developing countries has increased significantly as a result of their improved domestic policies. We are encouraged that some donor countries have already made ODA commitments, such as the European Union for 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of targets by the G-8 countries in Hokkaido, Japan, to significantly increase their ODA, including a \$25 billion estimated total increase to Africa by 2010. The full implementation of these targets is vital to substantially boost the resources available to push forward the international development agenda. ]

**Facilitators’ Proposal for Para 32:** We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. Since the Conference, there has been a significant turnaround in the

overall volume of aid flows. ODA in real terms increased by 40 per cent between 2001 and 2007. However, we note with concern the overall decline in ODA in 2006 and 2007. We also note that a significant part of aid flows after 2002 comprised debt relief and humanitarian assistance. The capacity of developing countries to absorb long term development aid has begun to increase as a result of their improved domestic policies. We are also encouraged by the fact that some of the donor countries have met or surpassed the 0.7% target of GNI for ODA and that some others have established timetables for fulfilling their long-standing commitments such as the European Union for 0.56 per cent of gross national income (GNI) for ODA by 2010 and 0.7 per cent by 2015. We also welcome the reaffirmation of commitments on ODA by the G-8 countries in Hokkaido, Japan, to increase, together with other donors, ODA by \$25 billion a year by 2010. The full implementation of these commitments will substantially boost the resources available to push forward the international development agenda. We emphasize that the ongoing financial crisis should not dilute the promise of developed countries for meeting their aid commitments. We also note with concern that there continues to be a net outflow of resources from developing to developed countries, in many cases far surpassing the inflow of ODA.

33. We recognize that major efforts are still needed for the achievement of the internationally agreed development goals, including the Millennium Development Goals. Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed **[LICH: “developed”. Insert “donor”]** countries should **[EU: “.To reach their agreed timetables, developed countries should” Insert “and”]** take urgent **[US: “urgent”. Insert “all necessary and appropriate”]** measures to raise the rate of increase of aid disbursements **[G77: “We recognize that major efforts are still needed for the achievement of the internationally agreed development goals, including the Millennium Development Goals. Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements.”]** **[EU: Insert “to meet their existing commitments”]**. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so. **[JPN: “To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so.”]** **[US: “It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so.”]** We once more **[G77: “once more”]** urge all developed **[LICH: “developed”. Insert “donor”]** countries that have not yet done so to make definite **[JPN: “definite”]** efforts **[G77: “to make definite efforts”]** to **[G77: Insert “take urgent measures”]** achieve the **[US: “make definite efforts to achieve the”]** target of **[US: “of”]** 0.7 per cent of GNI as ODA to developing countries **[US: “to developing countries”]**, including the **[US: “the” “a”]** specific target of 0.15 per cent to 0.20 per cent of GNI for least developed countries, **[EU: “;”]** by 2010. **[G77: Insert “We stress the importance of mobilizing greater domestic support in developed countries towards the fulfilment of their commitments, including through raising public awareness. Further Addressing...”]** Addressing the current high **[G77: “high”]** food and energy prices **[G77: “prices”]**. Insert **“crises”** and implementing actions related to climate change carries a deep developmental connection and makes it ever **[G77: “ever”. Insert “even”]** more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources **[G77: “.This will require considerable additional resources”]**. Insert **“,and provide the considerable additional resources that these new challenges demand.”** **[EU: “resources”. Insert “financial flows”]**. **[CANZ: “Developing countries must formulate and implement effective national development strategies, and the international community must increase its support substantially. To reach their agreed timetables, developed countries should take urgent measures to raise the rate of increase of aid disbursements. It is equally important that countries that have not already formulated timetables or reached 0.7 per cent of GNI as ODA do so. We once more urge all developed countries that have not yet done so to make definite efforts to achieve the target of 0.7 per cent of GNI as ODA to developing countries, including the specific target of 0.15 per cent to 0.20 per cent of GNI for least developed countries, by 2010. Addressing the current high food and energy prices and implementing actions related to climate change carries a deep developmental connection and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources.”** Insert

**“Developing countries should continue to make concrete efforts to increase, and make more effective, their aid disbursements. We call for the fulfilment of all official development assistance commitments, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance to developing countries by 2015 and to reach the level of at least 0.5 per cent of gross national income for official development assistance by 2010, as well as the target of 0.15 to 0.20 per cent of gross national income for least developed countries, and urges those developed countries that have not yet done so to make concrete efforts in this regard in accordance with their commitments. Climate change considerations should be integrated within ODA in order to maximize effectiveness. The challenge of addressing mitigation and adaptation to climate change – combined with the current high food and energy prices – entails significant additional costs that will likely exceed available public sector resources, necessitating innovative efforts to engage the private sector.”** [JPN: ~~“Addressing the current high food and energy prices and implementing actions related to climate change carries a deep developmental connection and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources.”~~] [US: ~~“and makes it ever more urgent to fully meet all the pre-existing cooperation targets. This will require considerable additional resources”~~]. Insert **“for net food and energy importers and climate-vulnerable economies. Increased resources to combat these challenges can be generated through policy reforms, such as ending subsidies not specifically targeted to the poor, and by overall economic growth”**.]

**Facilitators’ Proposal for Para 33:** The fulfillment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance to developing countries by 2015 and to reach the level of at least 0.5 per cent of gross national income for official development assistance by 2010, as well as a target of 0.15 to 0.20 per cent of gross national income for least developed countries. We urge those developed countries that have not yet done so, also to make concrete efforts in this regard. To reach their agreed timetables, donor countries should take all necessary and appropriate measures to raise the rate of increase of aid disbursements to meet their existing commitments. We stress the importance of mobilizing greater domestic support in developed countries towards the fulfillment of their commitments, including through raising public awareness. We also call on developing countries in a position to do so to continue to make concrete efforts to increase, and make more effective, their aid disbursements to other developing countries. The current high food prices, volatility in energy prices and implementing actions related to climate change carry a deep developmental connection that needs to be addressed.

**Facilitators’ Proposal for 33 bis:** We call for enhanced support for the development efforts of low income developing countries in addressing their social, economic and development needs including through the provision of technical, financial and other form of assistance, promotion of and strengthening of partnerships and cooperation arrangements at all levels.

**Facilitators’ Proposal for 33 ter:** We note with concern that a large proportion of the world's poor who live with less than \$ 2 a day are from middle income developing countries (MICs) and that ODA for these countries has declined significantly in recent years. We recognize that MICs still face significant challenges in the area of poverty eradication and that their efforts to address those challenges should be strengthened and supported internationally in order to ensure that achievements made to date are sustained. We also acknowledge that ODA is still vital for the support of the implementation of national development strategies, particularly poverty eradication policies, by these countries.

34. We also welcome increasing efforts by recipient and donor countries to make ODA more effective [NOR: ~~“make ODA more effective.”~~ Insert **“improve the quality of ODA and to increase its impact.”**]. [CANZ: Insert **“These include Tthe..”**] The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness [CANZ: Insert **“, the Principles for Good International Engagement in Fragile States and Situations,”**] and the 2008 Accra Agenda for Action, [CANZ:

“;”Insert “.They][SWZ: ~~“The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action,”~~ Insert “The High Level Forum on Aid Effectiveness, which produced the 2005 Paris Declaration, the Development Cooperation Forum DCF and this year’s Accra Agenda for Action,”] are critical steps forward in this regard by stressing the fundamental roles [EU:“~~roles~~”. Insert “principles”] of [CANZ: Insert “contextualization”] [SWZ: Insert “broad national”]ownership, alignment, harmonization, managing for results and mutual accountability. [EU: Insert “We call for the ~~Ffull.~~”]Full implementation of these principles should [EU:“~~of these principles should~~” Insert “by all development actors of their commitments at Paris and Accra in order to”] contribute to more effective and efficient aid delivery and greatly improved outcomes. [NOR: ~~“The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, are critical steps forward in this regard by stressing the fundamental roles of ownership, alignment, harmonization, managing for results and mutual accountability. Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes”.~~ Insert: “We endorse the 2005 Paris Declaration on Aid Effectiveness spelling out the fundamental principles of ownership, alignment, harmonization, managing for results and mutual accountability where we reconfirmed that national ownership is the key and acknowledged the critical role of parliaments and local authorities in preparing, implementing and monitoring national development policies and plans consistent with agreed international commitments on gender equality, human rights, and environmental sustainability. We resolve to take concrete, effective and timely action in implementing all agreed commitments on aid effectiveness.”] We will similarly enhance overall efforts [CANZ: ~~“will similarly enhance overall efforts”.~~ Insert “also encourage donors”] to improve the quality of aid [EU: ~~“ .We will similarly enhance overall efforts to improve the quality of aid”~~] including [EU: Insert “- as donors-”] by untying aid, [EU: Insert “at the maximum extent, increasing programme-based approaches, using country system as the first option for aid programmes in support for activities managed by the public sector, changing the nature of conditionality to support ownership, improving mutual accountability and transparency”][SWZ: Insert “increasing demand orientation in capacity development, using country systems to deliver aid”] increasing budget support [CANZ: ~~“increasing budget support”.~~ Insert “by increasing use of country systems”], streamlining conditions [EU: ~~“increasing budget support, streamlining conditions”~~] [SWZ: Insert “and basing them on developing countries own development objectives”] and [CANZ ~~“and”~~ Insert “,”] making aid more predictable [EU Insert : “by providing developing countries with regular and timely information on their rolling 3- to 5-years forward expenditure and/or implementation plans, and - as developing countries - by strengthening national institutions, systems and capacity to ensure the best results of aid, by strengthening leadership of their own development and by engaging with their parliaments and citizens in shaping those policies.”] [CANZ: Insert “and deepening our engagement with civil society organizations”] [SWZ: Insert “by inter alia providing 3-5 year advance information on planned aid to partner countries”.] [JPN: ~~“Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes. We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~ Insert “In this regard, capacity development assistance in the field of statistics and policy evaluation should be pursued. We should also bear in mind that there is no one-size-fits-all formula that will guarantee effective assistance. Specific situation of each country needs to be fully considered.”] [US: ~~“We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~] [G77: ~~“We also welcome increasing efforts by recipient and donor countries to make ODA more effective. The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, are critical steps forward in this regard by stressing the fundamental roles of ownership, alignment, harmonization, managing for results and mutual accountability. Full implementation of these principles should contribute to more effective and efficient aid delivery and greatly improved outcomes. We will similarly enhance overall efforts to improve the quality of aid, including by untying aid, increasing budget support, streamlining conditions and making aid more predictable.”~~]

[G77 proposed 34alt. “We recognize that the quality of aid is as crucial as its quantity. We will enhance overall efforts to improve the quality of aid, including by untying aid, providing direct

**budget support, and making aid more predictable. And in this regard, we call upon the OECD-DAC countries to fully implement their 2001 decision on untying aid, in particular to the LDCs. We recognize recent efforts and initiatives to enhance the quality of aid and to increase its impact, including the High Level Forums on Aid Effectiveness.”]**

[MEX proposed 34. bis: “The contributions of all development actors are more effective when developing countries are in a position to manage and co-ordinate them. We welcome the role of new contributors and will improve the way all development actors work together, including those engaged in South-South co-operation. We acknowledge the contributions made by all development actors, and in particular the role of middle-income countries as both providers and recipients of aid. We recognise the importance and particularities of South-South cooperation and acknowledge that we can learn from the experience of developing countries. South-South co-operation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development co-operation and is a valuable complement to North-South co-operation. We encourage further development of triangular co-operation”.]

**Facilitators’ Proposal for Para 34:** We also welcome increasing efforts to improve the quality of ODA and to increase its impact. The High-level Forums on Aid Effectiveness, which produced the 2005 Paris Declaration on Aid Effectiveness, the ECOSOC Development Cooperation Forum and the 2008 Accra Agenda for Action make important contributions to these efforts, including the principles of broad national ownership, alignment, harmonization, managing for results and mutual accountability. We call for the full implementation of these principles by all development actors. This will contribute to make aid delivery more effective and efficient and lead to improved outcomes. We also encourage donors to improve the quality of aid, increasing programme-based approaches, using country systems as the first option for aid programmes in support for activities managed by the public sector, streamlining conditions to support ownership and improving transparency. And in this regard, we call upon the OECD-DAC countries to fully implement their 2001 decision on untying aid, in particular to the LDCs. We will enhance efforts to provide direct budget support and make aid more predictable, inter-alia, by providing 3-5 years advance information on planned aid to partner countries. We recognize the importance of supporting developing countries in their efforts to strengthen national institutions, systems and capacity to ensure the best results of aid, by engaging with parliaments and citizens in shaping those policies and deepening engagement with civil society organizations. We should also bear in mind that there is no one-size-fits-all formula that will guarantee effective assistance. Specific situation of each country needs to be fully considered.

35. We note that the aid architecture has significantly changed in the current decade. New official and non-official donors [G77: **“donors”**. Insert **“aid providers”**] and novel partnership approaches, which transcend the traditional donor-recipient modality, have emerged [G77: **“have emerged”**. Insert **“and have their own importance and particularities, and have enhanced The...”**]The flow of resources involved [G77: Insert **“.”**] continues to increase significantly [G77: **“continues to increase significantly”**]. [G77: Insert **“We encourage new aid providers to mobilize, manage and evaluate their international cooperation initiatives. We will strengthen the Development Cooperation Forum of the Economic and Social Council of the UN as a focal point for examining international development cooperation holistically”**] This underscores the need for [NOR:Insert **“reducing the costly fragmentation of aid by improving the complementarity of donor efforts and division of labour among donors within sectors, within countries and across countries, while paying due attention to the fundamental principles of ownership”**]alignment, harmonization, coordination and ownership [CANZ: Insert **“amongst all development actors – bilateral and multilateral donors, global funds, civil society organizations, and the private sector.”**][NOR: **“alignment, harmonization, coordination and ownership”** Insert **“alignment and harmonization”**]. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as, in particular, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance [JPN: Insert **“dialogue**

and”] cooperation among this growing [JPN: “growing”. Insert “increasingly diverse”] community of partners. [EU: Insert “In particular, new development actors should be encouraged to work in close cooperation with the international community to ensure that the above-mentioned principles are enforced in a coherent way, including in particular through adopting, using and implementing the principles of the Paris Declaration and the Accra Agenda for Action.”] [NOR: Insert “If so desired by recipient countries, we..”] We shall also strive to provide technical assistance [EU: “technical assistance”. Insert “demand-driven capacity development”]for [CANZ: “to provide technical assistance for”. Insert “through capacity building development strategies to facilitate”] the incorporation [NOR: “the incorporation”. Insert “development and strengthening”] of good aid policies by recipient countries in [NOR: “by recipient countries in”. Insert “in support of”] their [CANZ: “by recipient countries in their”. Insert “into the”] national development strategies [EU: Insert “and to improve allocation of resources within sectors, within countries and across countries, paying special attention to countries in fragile situation. All resources should be used in accordance with the aim of sustainable development”] [CANZ: “of recipient countries” – move this sentence to a more appropriate OP]. [G77: “This underscores the need for alignment, harmonization, coordination and ownership. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as, in particular, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance cooperation among this growing community of partners. We shall also strive to provide technical assistance for the incorporation of good aid policies by recipient countries in their national development strategies.”] [US: Move entire paragraph to “Other new challenges and emerging issues section”]

**Facilitators’ Proposal for Para 35:** We note that the aid architecture has significantly changed in the current decade. New official and non-official aid providers and novel partnership approaches, which transcend the traditional donor-recipient modality and have their own importance and particularities, have enhanced the flow of resources. We will strengthen the Development Cooperation Forum of the Economic and Social Council of the UN as a focal point for examining international development cooperation holistically. The increasing number of actors and volumes of aid underscore the need for reducing the costly fragmentation of aid by improving the complementarities of donor efforts while paying due attention to the fundamental principles of ownership, alignment, harmonization and coordination amongst all development actors- bilateral and multilateral donors and aid providers, global funds, civil society organizations and the private sector. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC), to advance dialogue and cooperation among this increasingly diverse community of partners. All development actors should be encouraged to work in close cooperation with the international community to ensure that the above-mentioned principles are implemented in a coherent way.

36. This increasing complexity of aid flows and the large number of new [EU: Insert “and emerging”] donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal [CANZ: “concrete and universal”. Insert “systematic and comparable”] ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing [SWZ: “consider developing”] Insert “develop”]a joint proposal in this regard [SWZ: Insert “and to submit it to the DCF”]. [G77: “This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”] [EU: “We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”] [JPN: “This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes

~~and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.” [RUS: “We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard”] [US: “This increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more concrete and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to consider developing a joint proposal in this regard.”]~~

[G77 proposed 36 alt: “We recognize that there is a growing need for more concrete and universal ways to keep track aid quantity, quality and effectiveness. In this regard, we underline the importance of the Development Cooperation Forum and request the SG to submit a report that keeps track of ODA commitments aid quantity, quality and effectiveness, at each session.”]

**Facilitators’ Proposal for Para 36:** The increasing complexity of aid flows and the large number of new and emerging donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more systematic and universal ways to keep track of aid quantity, quality and effectiveness, giving due regard to already existing schemes and peer review mechanisms. We invite the United Nations system, the World Bank, regional development banks and OECD/DAC to develop a joint proposal in this regard and to submit it to the Development Cooperation Forum (DCF). In this regard, we also underline the importance of the DCF as a focal point for examining international development cooperation holistically, and request the Secretary General of the United Nations to submit a report that keeps track of ODA commitments, aid quantity, quality and effectiveness, at each session.

37. Aid can play a catalytic role in removing [NOR:“~~removing~~”. Insert “assisting developing countries to remove”] constraints to [JPN: Insert “sustained and inclusive”] growth such as enhancing social [JPN: “~~social~~”. Insert “institutional”] and physical infrastructure, [JPN: Insert “promote foreign direct investment and trade and”] technological innovation, [CANZ: Insert “promoting gender equality,”][NOR:Insert “domestic incomes and revenues”] empowering [JPN: Insert “vulnerable individuals including”] women [EU:Insert “preserving environment”] and combating pockets of poverty. Aid can also be an important factor in triangular cooperation schemes that [US: “~~schemes that~~”. Insert “to”] reinforce South-South cooperation [US: Insert “that promotes development”]. [EU: Insert “The importance of South-South and triangular cooperation is increasing. Cooperation between developing countries provides much needed additional resources to the implementation of development programmes. Therefore, the convergence of South-South and North-South cooperation is a priority. In South-South cooperation, the principles and criteria concerning, e.g. quality and effectiveness, that have been internally accepted, should be applied”][US: Insert” In line with the Accra Agenda for Action, ~~We.~~”]We will explore new and [US: “~~explore new and~~”] more effective[US: “effective”. Insert “effectively, inclusively, and transparently implement] assistance modalities [US: “modalities”] to enhance the catalytic role of aid, in particular for least developed countries. [EU: Insert “We will take determined steps to increase resources for gender equality”] We will also seek innovative ways of better targeting middle-income [US:“~~targeting middle-income~~”. Insert “assisting post-conflict”] countries. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors [US: “~~inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors~~”]. [G77: “Aid can play a catalytic role in removing constraints to growth such as enhancing social and physical infrastructure, technological innovation, empowering women and combating pockets of poverty. Aid can also be an important factor in triangular cooperation schemes that reinforce South-South cooperation. We will explore new and more effective assistance modalities to enhance the catalytic role of aid, in particular for least developed countries. We will also seek innovative ways of better targeting middle-income countries. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors.”]

[G77 proposed 37 alt “We support South-South cooperation, as well as triangular cooperation, in mobilizing supplementary resources for development. We also recognize south – south regional cooperation as initiatives based on solidarity that can also be an effective modality for mobilizing resources for development. In this regard, we stress that South-South cooperation should be seen neither as ODA nor as a substitute to North-South cooperation, rather as an expression of solidarity and cooperation between developing countries, based on their shared experiences and objectives. It is a development agenda that addresses the particular needs and expectations of developing countries, based on premises, conditions and objectives specific to their historic and political context.”]

**Facilitators’ Proposal for Para 37:** Aid can play a catalytic role in assisting developing countries to remove constraints to sustained, inclusive and equitable growth such as enhancing social institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovation, fostering gender equality, preserving the environment and eradicating poverty. Aid can also be an important factor in triangular cooperation to reinforce South-South cooperation that can promote development. We stress that South-South cooperation should be seen as an expression of solidarity and cooperation between developing countries, based on their shared experiences and objectives. It is a development agenda that addresses the particular needs and expectations of developing countries, based on premises, conditions, and objectives specific to their historical context. We also stress that South-South cooperation should be seen neither as ODA nor as a substitute to North-South cooperation. We note that the importance of South-South and triangular cooperation is increasing, providing much needed additional resources to the implementation of development programmes. Therefore, we will explore and implement more effective and transparent assistance modalities to enhance the catalytic role of aid, in particular for least developed countries. We will also seek innovative ways of better targeting middle-income countries. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening and developing regional financial institutions to assist in upgrading critical sectors in developing countries.

38. We welcome [G77: “~~welcome~~”. Insert “recognize”] the considerable progress made since the Monterrey Conference in the area of [US: “~~the area of~~”] innovative sources [G77: “~~sources~~”. Insert “mechanisms”] of finance. Due to [G77: “~~Due to~~” Insert “ We further acknowledge that a number of”] the initiatives of the [G77: Insert “ “Technical gGroup..”]group [G77: Insert “created by the Global”] Action against Hunger and Poverty [G77: Insert “”]and the [G77: Insert “]Leading Group on Solidarity Levies [G77: Insert “”] to Fund Development, a number of new [US: “~~Due to the initiatives of the group Action against Hunger and Poverty and the Leading Group on Solidarity Levies to Fund Development, a number of new~~” Insert “New, voluntary”] innovative financing sources [G77: “~~to Fund Development, a number of new innovative financing sources~~”] have become a reality, or are in an advanced stage towards implementation, such as, [G77: “~~such as,~~”] inter alia, the International Financing [EU: “~~Financing~~”. Insert “Finance”] Facility for Immunization, [G77: Insert “the”] [EU: Insert “pilot”] advance market commitments [EU: Capitalise “Advance Mmarket Ceommitments”]and the airline ticket [G77: “~~airline ticket~~”] solidarity levy[G77: “~~levy~~”. Insert “levies”], which finances [G77: Insert “health programmes in several developing countries, including”] the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria [EU insert “and schemes that use proceeds from emission trading to finance development. Recently, a high level Declaration against hunger and poverty and a task force on innovative finance for health systems strengthening were launched at the UN High Level Event on MDGs. We invite the UN to take special attention to the issue of innovative mechanisms with a view to producing a progress report by the next UN General Assembly, taking into account all existing initiatives. We encourage the scaling up of the implementation of innovative sources of finance.”] We acknowledge [G77: “~~acknowledge~~”. Insert “stress”] that these funds should be [US: “~~such as, inter alia, the International Financing Facility for Immunization, advance market commitments and the airline ticket solidarity levy, which finances the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria. We acknowledge that these funds should be~~”. Insert “These funds are voluntary”] additional to, and not a substitute for, official development assistance [ROK: “~~be additional to, and not a substitute for,~~”]

~~official development assistance~~". Insert "increase and supplement traditional sources of finance"] [LICH: "~~official development assistance~~". Insert "ODA"] and that they should not unduly burden developing countries [EU: "~~be additional to, and not a substitute for, official development assistance and they should not unduly burden developing countries~~". Insert "increase, supplement and not be a substitute for traditional sources of finance and should be disbursed in accordance with developing countries priorities"] [CANZ: "~~We acknowledge that these funds should be additional to, and not a substitute for, official development assistance and that they should not unduly burden developing countries.~~"] [US: "~~assistance and that they should not unduly burden developing countries~~"] [NOR: Insert "or weaken their ownership"]. We recognize the value of continuing consensus-building [LICH: Insert "~~including with the private sector,~~" on [G77: "~~We recognize the value of continuing consensus-building on~~" Insert " We urge the international community to strengthen.."] [US: "~~consensus-building on~~"] current [LICH: Insert "~~and proposed~~"] initiatives [G77: Insert "~~and explore new~~"] while further exploring [US: Insert "~~modifications~~"] and evaluating the validity of other proposed [G77: "~~while further exploring and evaluating the validity of other proposed~~"] innovative sources of finance by Governments, non-governmental organizations and civil society [G77: Insert "~~while recognizing their voluntary and complementary nature~~"].

[G77 proposed: 38bis "We reiterate our resolve to operationalize the World Solidarity Fund established by the General Assembly and invite those countries in a position to do so to make voluntary contributions to the Fund."]

[G77 proposed: 38 ter "We welcome the establishment of the Global Digital Solidarity Fund and encourage voluntary contributions to its financing, through the new innovative financing mechanism of the "1% digital solidarity principle."]

[G77 proposed: 38quat "We underscore the importance of fostering and strengthening technical cooperation which constitutes an important avenue for developing countries to attain their development objectives. We emphasize the importance of human resource development including training, exchange of expertise and knowledge transfer. Technical assistance for capacity-building which includes strengthening institutional capacity, project management and programme planning is also critical."]

**Facilitators' Proposal for Para 38:** We recognize the considerable progress made since the Monterrey Conference in innovative sources of finance. We further acknowledge that a number of the initiatives of the Technical Group created by the Global Action Initiative against Hunger and Poverty and the Leading Group on Solidarity Levies to Fund Development, a number of new, voluntary innovative financing sources have become a reality or are in an advanced stage towards implementation. These include, inter alia, the International Finance Facility for Immunization, the pilot Advance Market Commitments, the airline ticket solidarity levy levies - which finances health programmes in several developing countries including the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria - and schemes that use proceeds from emission trading to finance development. We encourage the scaling up of the implementation of innovative sources of finance. We acknowledge that these should be disbursed in accordance with developing countries priorities. We call on the international community to strengthen current initiatives and explore proposed ones by Governments, non-governmental organizations and civil society while recognizing their voluntary and complementary nature and that they should not unduly burden developing countries. We invite the Secretary General of the United Nations to pay special attention to the issue of innovative sources of development finance and produce a progress report by the next UN General Assembly, taking into account all existing initiatives.

**Facilitators' Proposal for 38bis:** We recall the decision of the World Summit on Sustainable Development to establish the World Solidarity Fund to eradicate poverty and to promote human development in developing countries and invite those countries in a position to do so to make voluntary contributions to the Fund. We also recall the

establishment of the Digital Solidarity Fund and encourage voluntary contributions to its financing, including through considering innovative financing mechanisms.

39. We underline the importance of the role of the United Nations system [US: ~~“importance of the role of the United Nations system”~~ Insert **“important role of an effective, well-managed United Nations system”**] through its operational activities in delivering effective [US: **“effective”**] capacity-building support for development with long-term sustainability. This is particularly important for least developed countries. Given that the level of core funding inevitably affects the ability of the United Nations system to fulfil this mandate, we urge donor countries and other countries in a position to do so to substantially increase [CANZ: ~~“substantially increase”~~. Insert **“consider increasing”**] their voluntary contributions to the core/regular budgets of the United Nations development system[JPN: Insert **“,while non-core resources represent an important supplement to the regular resource base of the United Nations development system to support operational activities for development, thus contributing to an increase in total resources.”**]. [EU: Insert **“We welcome the efforts to improve efficiency, coherence and effectiveness of the UN development system, including through Delivering as One approach.”**]

**Facilitators’ Proposal for Para 39:** We underscore the importance of fostering and strengthening technical cooperation which constitutes an important avenue for developing countries to attain their development objectives. We reiterate the importance of human resource development including training, exchange of expertise and knowledge transfer. Technical assistance for capacity-building which involves strengthening institutional capacity, project management and programme planning is also critical. We underline the important role of an effective, well-managed United Nations system through its operational activities in delivering capacity-building support for development with long-term sustainability. This is particularly important for least developed countries. Given that the level of core funding inevitably affects the ability of the United Nations system to fulfil this mandate, we urge donor countries and other countries in a position to do so to substantially increase their voluntary contributions to the core/regular budgets of the United Nations development system. We welcome the efforts to improve efficiency, coherence and effectiveness of the UN development system.

40. The multilateral development banks, including the World Bank, regional and subregional development banks and other financial institutions [IMF: **IMF should not be included under “other financial institutions”**], have proven that they constitute a key source of financing for development. They provide strategic resources [EU: Insert **“, including”**] in the form of technical assistance for areas such as institution-building and the promotion of good governance practices, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. We will endeavour to strengthen these institutions and increase their funding [EU:~~“and increase their funding”~~] [US:~~“and increase their funding”~~] as part of the measures for further implementation of the Monterrey Consensus. [EU: Insert **“At the same time, these institutions should continue to explore innovative ways to use their capital to leverage additional finance to accelerate progress towards the MDGs, while preserving their capital and ensuring their activity is profitable.”**][CANZ: ~~“We will endeavour to strengthen these institutions and increase their funding as part of the measures for further implementation of the Monterrey Consensus”~~.] [G77: ~~“The multilateral development banks, including the World Bank, regional and subregional development banks and other financial institutions, have proven that they constitute a key source of financing for development. They provide strategic resources in the form of technical assistance for areas such as institution-building and the promotion of good governance practices, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. We will endeavour to strengthen these institutions and increase their funding as part of the measures for further implementation of the Monterrey Consensus.”~~]

**[G77 proposed: 40 alt “The multilateral, regional and subregional development banks can be a relevant source of financing for development. They can also provide an important contribution in the form of technical assistance and forum for interchange of information on best practices between developing countries. However, these institutions have not been able to fully deliver on their potential. The net outflow of resources from many of these institutions has become negative. We therefore invite these institutions to enhance their financing to developing countries. We will support steps towards this end, including through increased funding for these institutions, as appropriate.”]**

**[G77 proposed: 40 bis “We note with concern that a large proportion of the world's poor who live with less than 2 a day are from Middle Income Countries and that ODA for MICs has declined significantly in recent years. We recognize that middle-income developing countries still face significant challenges in the area of poverty eradication and that efforts to address those challenges should be supported in order to ensure that achievements made to date are sustained, including through support to the effective development of comprehensive cooperation policies, as well as increased, targeted and substantial technical assistance, and the promotion of new partnerships and cooperation arrangements. We also acknowledge that ODA is still vital for the support of the implementation of national development strategies by these countries.”]**

**[G77 proposed: 40 ter “We also call for enhanced efforts for the development efforts of low income developing countries in addressing their social, economic and development needs including through the provision of technical, financial and other form of assistance, promotion of and strengthening of partnerships and cooperation arrangements at all levels.”]**

**[G77 proposed: 40 quat “We call upon the international community to move expeditiously to put in place new instruments as well as to expand and strengthen existing instruments to support developing countries to prevent or deal with existing economic crises including volatile food and energy prices. We strongly urge that this stepped up assistance should be additional to ODA.”]**

**Facilitators’ Proposal for Para 40:** The multilateral development banks, including the World Bank, regional and subregional development banks and other international institutions that promote development can be a key source of financing for development. They provide strategic resources including in the form of technical assistance for areas such as institution-building and the promotion of good governance practices, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. They also constitute a valuable forum for interchange of information on best practices between developing countries. The net outflow of resources from many of these institutions has become negative and therefore we will work with these institutions to enhance their financing to developing countries as part of the measures for further implementation of the Monterrey Consensus. These institutions should continue to explore innovative ways to use their capital to leverage additional finance to foster development while preserving their capital and ensuring their activity is profitable.