

## **Concept Note**

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### **Second Committee Side Event**

#### **“Donor accountability – in increasing international financial and technical cooperation for development”**

10 November, 10:00 a.m. – 1:00 p.m.  
ECOSOC Chamber (NLB)

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### **BACKGROUND**

Ten years after the United Nations International Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002) provided the impulse for a revival in Official Development Assistance (ODA) from member countries of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), ODA has reached a record level of \$128.7 billion, or equal to 0.32 per cent of DAC members' combined gross national income (GNI). However, net ODA/GNI ratios of many larger donors remain below the United Nations target of 0.7 per cent, while only five countries (Denmark, Luxembourg, the Netherlands, Norway and Sweden) exceed that target. Likewise, from 2000 to 2009, the DAC member countries' ODA to least developed countries rose from 0.05 per cent (or \$12 billion) of aggregated GNI to 0.10 per cent (or \$37 billion). Yet, this level of ODA is still well below the target of 0.15-0.20 per cent by 2015.

Looking ahead, the forecasted future trend for aid growth looks weak. Most donors plan to increase aid over the coming 3 years at a sharply reduced pace. A recent OECD survey shows that aid will grow at 2 per cent per year between 2011 and 2013, compared to the average 8 per cent per year over the past three years. Aid to Africa is likely to decrease in per capita terms since the projected increase in ODA (1 per cent per year in real terms) will be outpaced by population growth. The fragile global economic environment threatens to further undermine the delivery of ODA, particularly in countries facing severe fiscal constraints. Whereas ODA from the fifteen EU OECD-DAC countries increased slightly from 0.44 per cent in 2009 to 0.46 per cent of DAC-EU GNI in 2010, fiscal crises in Greece, Italy, Ireland and Spain have already translated into significant drops in ODA.

There is also a need to further strengthen the follow-up to commitments on development cooperation by improving existing global monitoring and evaluation mechanisms and exploring new modalities, such as international peer reviews. Donor states, recipient countries and other relevant stakeholders will meet during the Fourth High-Level Forum on Aid Effectiveness, (Busan, Republic of Korea, 29 November -1 December 2011), to reassess the aid effectiveness agenda.

## **OBJECTIVE, FORMAT AND OUTCOME**

The objective of the panel discussion is to explore how to promote the implementation of international goals and commitments made on “Increasing international and financial cooperation for development”- one of the six leading actions of the Monterrey Consensus and Doha Declaration on Financing for Development.

The side event discussion will consist of panel presentations by government representatives from donor and recipient countries followed by an interactive dialogue among all meeting participants, including representatives of Member States, institutional stakeholders, as well as civil society and the business sector. The panel will be chaired by the Vice-Chair of the Second Committee.

The meeting will conclude with an informal summary by the Secretariat highlighting the main points of the discussions and specific proposals or ideas leading to action-oriented results. The summary will provide an important informal input into the fifth High-level Dialogue on Financing for Development (New York, 7-8 December 2011).

## **SUGGESTED QUESTIONS FOR DISCUSSION**

- How can multilateral and bilateral development cooperation policies ensure the implementation of ODA commitments, specifically, ODA/GNI ratios of 0.7 per cent to developing countries and 0.15-0.20 to least developed countries?
- How should the methods for aid allocation be reviewed to ensure aid flows to the neediest countries and helps finance investments in productive capacity?
- How can the international community ensure that humanitarian relief and support is additional to regular development assistance?
- How can additionality, stability and sustainability of innovative financing and aid-for-trade flows be ensured?

## **BACKGROUND DOCUMENTATION**

The substantive background documents for the event will include:

- Report of the Secretary-General on "Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development" (A/66/329)
- Report of the Secretary-General on "International financial system and development" (A/66/167)
- Report of the Secretary-General on "Innovative mechanisms of financing for development" (A/66/334)
- Fourth United Nations Conference on the Least developed countries, "Programme of Action for the Least developed countries for the Decade 2011-2020" (A/CONF.219/1)
- Report of the Secretary-General on the "Outcome of the Fourth United Nations Conference on the Least Developed Countries" (A/66/134)