



2008 Development Cooperation Forum

Official summary of the President of the Economic and Social Council

- In accordance with General Assembly resolutions 60/1 and 61/16, the Development Cooperation Forum (DCF) of the Economic and Social Council (ECOSOC) took place on 30 June and 1 July 2008 at United Nations Headquarters in New York.
- The deliberations at the 2008 DCF served to provide strategic input to the Doha Review Conference on Financing for Development and the Accra High-level Forum on Aid Effectiveness which will bring further attention to aid delivery and management and making development assistance work better for improving the lives of the poor.
- In this regard, the 2005 Paris Declaration on Aid Effectiveness has been instrumental in promoting ownership, alignment, harmonization, management for results and mutual accountability as principal tenets of development cooperation.
- The vital contribution made by different stakeholders to the discussions, including representatives from civil society, parliaments, local governments and the private sector, truly reflected the character of the Forum as the emerging global venue for representative, participatory and multi-stakeholder dialogue on key development cooperation issues.
- Further to the debate at the 2008 DCF, the following summary reflects recommendations on practical measures and policy options made at the Forum with a view of enhancing the coherence and effectiveness of international development cooperation:

1. Policy coherence

- *Mutually supportive policies* on trade, debt, investment, technology, climate change, food security and systemic issues are critical if development cooperation is to have a meaningful impact. This includes *policy coherence* across the core areas of the Monterrey Consensus, which constitutes the international framework for cooperation for development.

2. Aid commitments and aid allocation

- *Meeting aid commitments* is indispensable to the realization of the internationally agreed development goals, including the Millennium Development Goals. Budget targets for annual increases through to 2015 need to be set for effective delivery of aid commitments;
- Aid allocation is *not adequately balanced* across countries and sectors and does not maximize progress towards the realization of the internationally agreed development goals. Regular review is required to ensure that aid allocation is predictable, responsive to the *needs* of programme countries and oriented to maximize *development results*;

- More transparent criteria is needed for aid allocation *across programme countries*, based on multidimensional poverty indicators, structural vulnerability to exogenous shocks and progress towards the realization of the internationally agreed development goals;
- In terms of *sectors*, increases in aid should particularly support *agriculture and food security, economic infrastructure and energy, and trade*; all sectors crucial to sustained development and for which many programme countries have designed sector specific strategies; and
- In terms of *modalities*, *budget support* should be increasingly used as a preferred modality for delivering development aid due to its positive effects on national ownership, disbursement speed and use of national systems.

3. Towards consensus on the aid effectiveness agenda

- The aid effectiveness agenda should move towards broader agreement by setting *measurable targets* for untying aid, transforming technical assistance, reducing conditionality, maximizing concessionality, increasing multi-year predictability and improving flexibility to combat exogenous shocks;
- *Mutual accountability* processes at the country-level should be strengthened through defining good practice standards and reinforcing national capacity and leadership;
- The implementation of the Accra Agenda for Action will need to demonstrate that it is able to go *beyond commitments in principle and procedural changes* by producing real change in the behaviour of development actors with the objective of achieving sustainable development results; and
- Greater *transparency* on aid must be a key outcome of further strengthening the aid effectiveness agenda, by making all aid agreements, policies and data publicly available to facilitate scrutiny by parliamentarians and other stakeholders.

4. Country-level capacities for coordinating and managing aid

- Programme countries should develop effective *aid policies*, with donors supporting these efforts by intensifying capacity-building on aid analysis, policy, negotiation and evaluation of results;
- Concerns about *absorptive capacities* need to be resolved by joint comprehensive assessments of bottlenecks, including donor and programme country procedures; and
- *Capacity development* on aid policy should be *further extended* to a multitude of stakeholders, particularly parliamentarians, civil society and local governments.

5. Country-driven national development strategies

- Effective frameworks for guiding national development need to be developed through *inclusive processes*, involving all relevant stakeholders at the country-level;
- National development strategies, while entirely country-driven, also need to be *responsive* to the internationally agreed development goals, including gender, the environment and human rights, with programme country strategies containing clear goals and action plans; and

- *Conditionalities* remain a key concern because of their impact on policy space and country leadership of development, as well as negative effect on aid predictability. Targets should be set for sharp reduction in such practices.

6. Non-State development cooperation providers at the country-level

- The internationally agreed development goals, including the Millennium Development Goals, will not be achieved without strong involvement (including financing) by civil society, businesses, foundations and global funds. The comparative advantage of these actors is clear in terms of reach and efficiency, yet at the same time their efforts need to be *fully supportive of national priorities*;
- Development cooperation channeled through civil society organizations, global funds and the private sector needs to be *integrated into an enlarged aid quality framework*, which takes account of the particularities of these actors, while demonstrating clear effectiveness in achieving results. The engagement of these actors should be in conformity with the priorities of programme countries.

7. South-South and triangular development cooperation

- A process is needed to facilitate the *exchange of information and enhanced analysis*, through which other development actors can learn the positive lessons from South-South and triangular development cooperation, especially in technical assistance/capacity development, infrastructure, regional programmes and rapid delivery of development results; and
- Recognizing that South-South cooperation is a complement to North-South cooperation, these lessons could be used to arrive at more widely agreed *development cooperation practices and objectives*, to help programme countries access and use the best available assistance through a nationally-owned framework.

8. The Development Cooperation Forum should:

- Further strengthen the *voice of all stakeholders*, including civil society, parliamentarians, private sector and local governments by supporting inclusive high-level dialogue on key development cooperation issues;
- Give due consideration to the *broad range of issues* which affect the effectiveness of development cooperation such as climate change, food security and policy coherence;
- Continue to provide independent and high-quality analysis of *development cooperation issues* and ensure a comprehensive and inclusive international debate on this agenda;
- Play a key role as an international *mutual accountability mechanism* that will draw together analysis of progress in national and global-level mutual accountability processes, and thereby contribute to holding donors and programme countries to account; and
- Focus its meeting in 2010 on playing an instrumental role in developing a more *inclusive framework* for guiding effective development cooperation, taking into consideration the concerns of stakeholders.