

## **Concept Note**

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### **Second Committee Special Event**

#### **“Financing for Development: Donor accountability in increasing international financial and technical cooperation for development”**

**(New York, 10 November 2011)**

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### **BACKGROUND**

Ten years after the United Nations International Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002) that 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), net ODA/GNI ratio of many larger donor countries remain below the United Nations target of 0.7 per cent. However, good news is five countries and only five countries for example, Denmark, Luxembourg, the Netherlands, Norway and Sweden exceed that target. Likewise, from 2000 to 2009, the DAC member countries' ODA to least developed countries (LDCs) was calculated to be a meagre 0.10 per cent. This level of ODA is well below the target of 0.15-0.20 per cent by 2015.

Looking ahead, the forecasted future trend for aid growth looks even more bleak. 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. 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, and in rest of the countries there has been significant drops in ODA.

This is more unfortunate for the developing countries, particularly for LDCs that, there is a growing tendency in the development partners (DPs) to attribute this failure of fulfilment of the commitments to the ongoing economic and financial crisis. It may be recorded here that, the 0.7% GNI commitment was made in 2002, which should not be conditioned with any international phenomenon or crisis whatsoever. This is crucial and noteworthy that, these countries did not fulfil their commitments in the pre-crisis period either.

Pathos is to mislead and misinterpret the essence of Monterrey Consensus of giving 0.7% GNI from national budget of OECD-DAC countries; nowadays there is a growing tendency to describe the contribution as collective GNI instead of national GNI. It will not only undermine the contributions of a few countries who have so far fulfilled their national commitments, but also tantamount to forgery of an international UN agreement. Secondly, 0.7% commitment was made directly from the government budget, unfortunately, nowadays some quarters are trying to camouflage and shift their responsibility by including innovative financing, philanthropic and private sector contributions within the ODA financing. Such attempts are not only sad but unfortunate.

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. Monterrey is the only UN Conference that does lack a permanent secretarial institute to follow up its development, which is probably at the root cause of his hitherto poor performance. It is of immediate imperative to establish such a body to monitor the progress so that, there is tangible result before the expiry of the ODA deadline by 2015.

### **OBJECTIVE, FORMAT AND OUTCOME**

The objective of the panel discussion is to explore how to implement the internationally agreed 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. One more important objective will be to find out ways and means to set up a follow up and monitoring institution with regard to Monterrey consensus for its effective implementation, evaluation and suggestion before the expiry of the consensus period by 2015.

The special event will consist of panel presentations by government representatives from donor and recipient countries followed by an interactive dialogue among participants, including representatives of Member States, institutional stakeholders, as well as civil society and the business sector. The panel will be chaired by the President 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 financing investments in productive capacity?
- How can the international community ensure that humanitarian relief and support is additional to regular development assistance, not a part of ODA?
- What should be the modus operandi of the proposed monitoring and evaluation body of FFD cooperation?

### **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](#))
- 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](#))