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### ECONOMIC AND SOCIAL COUNCIL

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High-level segment

## PROVISIONAL SUMMARY RECORD OF THE 19th MEETING

Held at the Palais des Nations, Geneva, on Thursday, 5 July 2007, at 9.30 a.m.

President: Mr. Čekuolis (Lithuania)

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### The meeting was called to order at 9.35 p.m.

# ANNUAL MINISTERIAL REVIEW: STRENGTHENING EFFORTS TO ERADICATE POVERTY AND HUNGER, INCLUDING THROUGH THE GLOBAL PARTNERSHIP FOR DEVELOPMENT (continued)

# **Development Cooperation Forum**

The PRESIDENT said that it was fitting that the Development Cooperation Forum should take place on the last day of the High-level segment of the current session since the Forum was a cornerstone of the new Economic and Social Council. He recalled that the 2005 World Summit had reaffirmed the need for the United Nations to play a fundamental role in the promotion of international cooperation for development. He noted that the aim of the Forum was to promote cooperation for the realization of internationally agreed development goals. The Forum, one part of which would be dedicated to reviewing trends in and the strategies, policies and financing modalities of international development cooperation, would also identify gaps and obstacles which prevented the realization of inclusive and participatory partnerships. Cooperation in that area aimed to produce guidelines and recommendations which could be applied by the international community. At a time when there was growing uncertainty regarding the full realization of the Millennium Development Goals by 2015, the Forum was all the more valuable in reminding development partners of their accountability with regard to meeting those goals. It was a milestone in the implementation of the global partnership for development as, for the first time, international cooperation issues as such would be discussed by the Economic and Social Council, in order to improve the impact of development cooperation. It should be borne in mind that the actions which had the greatest impact were the ones that stakeholders could claim as their own. The Forum would therefore strive to engage development partners in a dialogue which would enable them to reach a consensus, and thus improve the effectiveness of the cooperation.

The Forum would build on the successes of other international meetings, such as the Monterrey International Conference on Financing for Development or the Paris High-level Forum on Aid Effectiveness, which had identified priorities in that area, such as the importance of national ownership of the goals and the willingness of the development partners as essential foundations for development. He thanked the Government of Austria for having hosted a symposium in April 2007 to prepare for the Development Cooperation Forum, and announced that another seminar would be held, in partnership with the Government of Egypt, with a view to preparing the following Development Cooperation Forum, planned for 2008.

<u>Mr. AKRAM</u> (Pakistan), speaking on behalf of the Group of 77 and China, recalled that the General Assembly had outlined the role of the Development Cooperation Forum in strengthening the Economic and Social Council, which should be: to review trends and progress and give guidance and recommendations; to identify gaps and obstacles and to make recommendations on practical measures and policy options in order to enhance the coherence and effectiveness of development cooperation; to provide a platform for exchange of information; and to ensure participation by all stakeholders.

The Forum was an outstanding opportunity to enhance the global partnership for development, as it could: review developments in international development cooperation with a view to elaborating integrated responses and dealing with critical gaps and challenges; strengthen links between the analytical, normative and operational work of the entire United Nations system; promote links between system-wide operational activities and the implementation of development goals; and promote exchange of information on best practices in order to devise innovative approaches to development problems.

A clear distinction must be drawn between the role of Annual Ministerial Review and that of the Forum. Annual Ministerial Review was designed to review progress in the implementation of internationally agreed development goals, including the Millennium Development Goals, and to provide the various actors with guidance. The Forum should focus primarily on international development cooperation in all its forms in order to improve governance, effectiveness and impact in that area.

While according to the United Nations Charter the Economic and Social Council was the only body mandated to promote coordination within the United Nations system, it had to be recognized that Council coordination of the numerous funds and programmes was, at best, perfunctory. The Forum was designed to redress that unfortunate situation, at a time when the need for effective governance had become particularly acute. In that context, the purpose of the

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Forum should be to ensure that: development cooperation responded to the needs of developing countries as set forth in their national development plans; the quality and quantity of development funding was adapted to the needs of recipient countries; development cooperation achieved the desired objectives; and that cooperation was pursued in a coordinated and coherent manner at the national, regional and global levels.

The effectiveness of the Forum would depend to a great extent on the ability to monitor the proper implementation of its measures and decisions. It would therefore be worth developing agreed criteria to measure the implementation and results of development cooperation, the Paris Declaration on Aid Effectiveness being a useful starting point for that purpose. The effectiveness of the Forum would also depend on the quality of the documentation and information which it would be considering. In that regard, information supplied by all the stakeholders as part of the development process on programmes and activities at the national, regional and global levels should be made available for analysis.

Lastly, it would be preferable for the "themes" for each Forum to be chosen according to the data made available by the stakeholders, rather than being determined one or two years in advance. Another possibility was that the Forum could decide in advance to address one particular issue, which it would consider in conjunction with the trends brought to its attention.

<u>Mr. GOMES CRAVINHO</u> (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries and potential candidates Albania, Montenegro and Serbia; and, in addition, Armenia, Moldova and Ukraine, welcomed the reform aimed at improving United Nations system-wide effectiveness and coherence, and recalled that the European Union was in favour of a strong United Nations at the heart of effective multilateralism and better able to support developing countries in achieving development goals. Recognizing the need to adapt to a constantly changing world, he observed that the creation of the Development Cooperation Forum responded to an emerging need for more profound dialogue on development cooperation.

The European Union was fully engaged in the continuing discussions on United Nations system-wide coherence and on the implementation of the Paris Declaration on Aid Effectiveness.

As a significant contributor to official development assistance, it welcomed the Forum as an opportunity to consider ways of improving international cooperation in that area. The Forum would also play an important role in the global partnership for development, and would emphasize the role of the Council as the policy coordination body of the United Nations for economic, social and environmental matters. The fact that the Forum was open to participation by all the stakeholders would further reinforce its utility. It was only through a truly participatory dialogue with all development cooperation actors that the gaps and obstacles to the realization of the internationally agreed development goals could be identified.

Lastly, the European Union considered that it would be useful for the Forum to tackle issues such as aid architecture, the implementation of the Paris Declaration and the role of new and emerging donors.

Mr. LI Baodong (China) said if the Development Cooperation Forum was to be effective its goals, direction and priorities had to be properly defined. Thus, the Forum could act on four fronts. Firstly, the Forum should focus on promoting development, and should call on the United Nations to pay more attention to development cooperation. With regard to funding, the Forum should urge developed countries to honour their gross national income (GNI) commitment to official development assistance and encourage the establishment of more innovative funding mechanisms. Regarding the Doha round of talks, the Forum should encourage developed countries and major trading nations to demonstrate greater flexibility to break the current deadlock and achieve balanced results. Secondly, the Forum should set up a mechanism to monitor and assess the Millennium Development Goals. China believed that problems concerning funding, technology, capacity-building and market access were the biggest obstacles to achieving the Goals. Thirdly, the Forum should keep abreast of recent developments and study new trends relating to climate change and energy security. In particular, it should call upon all parties to honour their commitments under the United Nations Framework Convention on Climate Change and Kyoto Protocol thereto, including the principles of "common but differentiated responsibilities". The Forum should furthermore help to reinforce cooperation with a view to improving energy efficiency, developing the use of clean and renewable energy and safeguarding energy security. Lastly, the Forum should promote closer partnership among the stakeholders and encourage them to coordinate their work to help development.

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<u>Mr. MILLER</u> (United States of America) said that he hoped that the Development Cooperation Forum would ultimately be a place for the exchange of ideas and dialogue between donor and recipient countries. For such a significant donor as the United States of America, the issue of aid effectiveness was crucial. For that reason, it would be helpful if the Forum could provide data, including basic indicators, on assistance provided. While it was difficult to attribute specific results to a particular type of aid, such information had the greatest impact on aid flows. For developed countries to continue to deliver practical aid to the countries which most needed it, they must be informed of the use made of official development assistance.

<u>Mr. FUST</u> (Observer for Switzerland) said that the establishment of the Development Cooperation Forum was a significant achievement, as a new mechanism offering a platform for the voices of the beneficiaries to be heard and given the consideration they deserved. The Economic and Social Council must seize the opportunity to debate key points which were damaging the quality and relevance of the international aid system, and to promote enhanced coordination and development assistance.

Global development mechanisms had become dysfunctional and must readjust to the quickly evolving international situation. They lacked coordination at the institutional and intergovernmental levels and were broadly disconnected from the main beneficiaries; in addition, there was an absence of consensus regarding the definition of aid effectiveness and competition between severely disjointed funding lines. With the establishment of the Forum, the opportunity had been provided to remedy such malfunctions.

The Forum would provide an opportunity to review global trends in strategies and policies for development cooperation, as well as emerging trends in the field. It would help to promote a common understanding of what effective aid delivery should be, with the aim of improving harmonization and alignment in accordance with the Paris Declaration. It would also provide a comprehensive overview of the various funding channels and trends, including major private foundations and emerging donor countries, which would help to promote consensus on the harmonization and balancing of funding mechanisms. The Forum would offer a unique opportunity to develop instruments for clarifying and strengthening the mutual accountability of donor and recipient countries. Both must demonstrate greater accountability if they wished to honour their international commitments and achieve the Millennium Development Goals.

<u>Mr. SAVOSTYANOV</u> (Russian Federation), welcoming the establishment of the Development Cooperation Forum under the aegis of the Economic and Social Council, said that the advantage of a platform for all the development partners within a universal authority like the United Nations lay in the Organization's ability to set up equitable and inclusive dialogue, which should not be seen as the preserve of traditional donor countries only. His delegation proposed a number of priority themes for the Forum: effectiveness in cooperation, in particular the predictability and stability of aid and mutual accountability of all the partners; the appropriation of cooperation by the beneficiaries, who should be responsible not only for identifying priorities, but also for the end results; harmonization of the work of different donors; room for thematic funds and programmes and links between sectoral and specifically focused cooperation approaches; the role of emerging donors; and the increasing importance of South-South cooperation.

The choice of themes for subsequent forums should be balanced and should take account of the interests of both the donor community and the recipient countries. There should also be discussion of the best way of presenting the guidelines and recommendations which the Forum was called upon to adopt; for example, the Council could include them in its annual report to the General Assembly. Furthermore, integrating the Forum into the existing discussion process for development cooperation, including the Paris Process or the OECD Forum, would contribute significantly to the Forum's success, by ensuring the coordination and coherence of the various components.

In June 2007, the President of the Russian Federation approved the Principles for participation by the Russian Federation in international cooperation development. The country's policy in that area must aim to establish a stable, just and democratic world order; eliminate poverty and ensure substantial economic development in developing countries and post-conflict countries; redress the consequences of humanitarian crises; develop links between Russia and

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other countries; prevent and settle tensions and conflicts; and combat drug trafficking, terrorism and international crime, especially in neighbouring areas. The Russian Federation was prepared to participate fully in the Forum insofar as one of its current priorities was to integrate into the donor community and take an increasingly active part in discussions aimed at improving the effectiveness of development cooperation. Considering that the Annual Ministerial Review, the high-level meeting with international financial and trade institutions and the Development Coordination Forum provided a satisfactory framework for intergovernmental dialogue, Russia was opposed to any proposal to review the new system.

The SECRETARY-GENERAL said he was honoured to take part in the launch of the Development Cooperation Forum. The number of delegations present boded very well for the future of the Forum and for its ability to deliver. Establishing the Forum was a decisive step in the implementation of the global partnership for development and proof of the commitment of governments to strengthening the coherence and effectiveness of international development cooperation. Over the years, the international system for development assistance had expanded in a haphazard fashion and appeared unnecessarily fragmented and complicated. Donor aid flows tended to be concentrated on a few countries, while other low-income countries suffered from under-funding. The number of donors was increasing, and interface with partner countries was becoming more demanding and multifaceted. Donor policies and procedures varied greatly, and the process of harmonization was proving difficult. The emergence of new and increasingly specialized funds made the system even more complex.

The challenges ahead were daunting. In responding to them, all the stakeholders must make their voices heard and participate actively in building a broad consensus on the governance of international development cooperation. The Forum must play a critical role in the consensus-building process. It would bring together key actors to advance the internationally agreed development goals through development cooperation. That global effort would bear fruit, however, only if all the stakeholders understood that they must be mutually accountable.

In 2002, the participants of the Conference on Financing for Development had recognized that if development efforts were to have a lasting impact, they must be based on national ownership of development goals and strategies, combined with sound policies and good

governance. Just as the global partnership for development was instrumental in achieving the development goals, so too were national ownership and leadership instrumental in driving the process.

The Monterrey Consensus affirmed the importance of substantially increased and predictable official development assistance and of its effective use in achieving the development goals. In the five years that had passed since Monterrey, donors had committed to substantial increases in official development assistance and debt relief programmes. Until recently, it had seemed that the decline in development assistance would be reversed. According to the Millennium Development Goal Report, 2007, compiled midway, it had appeared that those goals could still be achieved in most countries provided that immediate action was taken.

Nevertheless, as the decrease in official development assistance flows in 2006 showed, nothing could be taken for granted. He urged donors to scale up aid in order to reach the 2010 and 2015 commitments and called on all countries in the Doha Development Round to rekindle the spirit of cooperation and collaboration, and conclude the trade negotiations in a way which benefited those most in need.

The Forum was a value platform for consensus-building and forging strong partnerships through a participatory and inclusive approach. He was confident that it would become a vehicle recognized for generating meaningful and actionable guidance and recommendations of value to all the stakeholders. Together they should make the most of the opportunity given, so as to improve the quality and impact of development cooperation, for the benefit of all the world's people.

The meeting rose at 10.40 a.m.