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#### High-level segment: Development Cooperation Forum

### **Letter dated 15 November 2010 from the Permanent Representative of Finland to the United Nations addressed to the President of the Economic and Social Council**

I have the honour to transmit herewith the report of the Development Cooperation Forum High-level Symposium held in Helsinki on 3 and 4 June on the theme “Coherent development cooperation: maximizing impact in a changing environment” (see annex).

I would be grateful if the present letter and its annex could be circulated as a document of the Council, under agenda item 2 (b).

*(Signed)* Jarmo **Viinanen**  
Permanent Representative



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Permanent Representative of Finland to the United Nations  
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**Report of the Development Cooperation Forum High-level  
Symposium held in Helsinki on 3 and 4 June on the theme  
“Coherent development cooperation: maximizing impact in  
a changing environment”**

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## I. Introduction

1. The 2005 World Summit mandated the United Nations Economic and Social Council to convene a biennial high-level Development Cooperation Forum to review trends and progress in international development cooperation, and give guidance on practical measures and policy options on how to enhance its coherence and effectiveness. The Forum has also been mandated to promote greater coherence among the development activities of different development actors and to strengthen the normative and operational link in the work of the United Nations. The Forum is meant to provide a platform for Member States to share their experiences and to be open to participation by all key development cooperation stakeholders. At the request of the General Assembly, the first Forum was held in New York on 30 June and 1 July 2008.<sup>1</sup>

2. In 2008, the Forum established itself as a focal point within the United Nations system and principal forum for global policy dialogue on effectiveness and coherence of international development cooperation. This role and some of the key messages from the 2008 Forum were reflected in the outcome document of the Doha Follow-up Conference on Financing for Development. Similarly, the Accra High-level Forum on Aid Effectiveness affirmed the role of the Development Cooperation Forum in the international dialogue and mutual accountability on aid issues.<sup>2</sup>

3. To facilitate dialogue among development cooperation stakeholders at the 2010 Forum, held on 29 and 30 June, the Department of Economic and Social Affairs of the Secretariat supported the organization of two nationally led high-level symposiums in 2009-2010. The first preparatory symposium was held on 12 and 13 November 2009 in Vienna under the overarching theme of “Accountable and transparent development cooperation: towards a more inclusive framework”.<sup>3</sup>

## II. Objectives of the Helsinki High-level Symposium

4. The objective of the Helsinki High-level Symposium was to identify pragmatic solutions in enhancing coherence among a diverse range of policies affecting development, both within and between provider and programme countries.

5. The Symposium facilitated a frank discussion on policy coherence for development and examined the multifaceted challenges in building coherence — and avoiding incoherence — in the range of policies affecting development. The sharing of experiences on how different policies can have a significant impact, either positive or negative, on development and the Millennium Development Goals was one of the highlights of the Symposium. The Symposium also advanced

<sup>1</sup> More information on the 2008 Forum and its preparations is available from [www.un.org/ecosoc/newfunc/2008dcf.shtml](http://www.un.org/ecosoc/newfunc/2008dcf.shtml) and [www.un.org/ecosoc/newfunc/preparations.shtml](http://www.un.org/ecosoc/newfunc/preparations.shtml).

<sup>2</sup> The Doha Outcome document recognized the important contribution of the Forum in efforts to improve the quality of official development assistance (ODA) and to increase its development impact. It also mandated the Forum to review more systematic and universal ways to follow quantity, quality and effectiveness of aid, giving due regard to existing mechanisms (see A/RES/63/239).

<sup>3</sup> More information on the Vienna Symposium is available from [www.un.org/en/ecosoc/newfunc/dcfvienna10.shtml](http://www.un.org/en/ecosoc/newfunc/dcfvienna10.shtml).

agreement on practical solutions to improve policy coherence towards the realization of the internationally agreed development goals, including the Goals.

6. The Symposium also provided an important occasion to (a) discuss the significant role and responsibilities of civil society, foundations and the private sector in promoting coherent development and development cooperation; (b) analyse the positive impact that national mutual accountability mechanisms can have on effective aid delivery and development partnerships; and (c) promote a more concerted effort in achieving gender-related development goals through better and more effective aid.

7. The Symposium was attended by approximately 170 participants representing a wide range of stakeholders, including senior technical experts in aid management from provider and programme countries, parliamentarians, civil society organizations, local government representatives and international organizations.

### **III. Opening of the Helsinki High-level Symposium: the need for more coherent and sustainable development cooperation in order to achieve the Millennium Development Goals**

8. In his opening remarks, Paavo Väyrynen, Finnish Minister for Foreign Trade and Development called on all development cooperation actors to build development policies on the principles of broad-based sustainable development. He emphasized that the social dimension of sustainable development is critical to advance development and that inclusive economic growth must foster effective national poverty reduction programmes. Furthermore, development agendas should be nationally owned and driven.

9. Minister Väyrynen said that the Development Cooperation Forum is an authoritative and universal forum that engages stakeholders in the discussion of the most pressing global problems in development cooperation. He pointed out the need to coordinate and collaborate better and strive for better convergence in all development policies. The Minister called on Southern contributors to provide more grant aid and give least developed countries more access to their domestic markets.

10. The President of the Council, Hamidon Ali, underscored the importance of multilateralism and international solidarity and the need to strengthen international development cooperation at such a critical time, when signs of economic recovery are still hesitant. Not only do international targets on ODA need to be achieved, but the recovery should also be sustainable and its benefits more equally shared. In order to maximize the impact of development efforts, coherence and complementarity has to be ensured among the different actors in development cooperation. National policies with impact on development also need to be more mutually supportive. At the same time, Mr. Ali stressed the need for more equal partnerships, based on trust and transparency among all actors, with more efforts needed from the side of providers of development cooperation.

11. Under-Secretary-General for Economic and Social Affairs, Sha Zukang, said that policy coherence between and within countries is a central challenge in ensuring better aid outcomes. He welcomed the increased commitments of donors to the agenda on Policy Coherence for Development of the Organization for Economic Cooperation and Development (OECD) and the European Union, and emphasized

the need for better policy alignment with national priorities as well as closer cooperation among key stakeholders.

12. The growing number of significant providers of development assistance poses some challenges to international development cooperation. Partnerships between governmental and non-governmental providers need to be strengthened to enhance the coherence of the overall development cooperation architecture and to reduce duplication between the efforts of the various actors. On another note, it is important to ensure that both women and men benefit equally from aid delivery. Mr. Sha called on participants to share experiences on how to embed women's empowerment strategies in national development strategies and in gender-sensitive macroeconomic analysis, budgeting and reporting.

13. Speaking on behalf of civil society organizations represented at the Symposium, the Secretary-General of CIVICUS World Alliance for Citizen Participation, Ingrid Srinath, said that the openness of the Forum process to multiple stakeholders is remarkable. It is all the more so at the time when there are structural injustices, and when poor and vulnerable groups and many Member States are excluded from global decision-making processes. There continues to be a view that portrays the poor as citizens with claims, consumers without money, problems or criminals. At the same time, despite greater demands for their services, civil society organizations have fewer resources and face greater constraints. In the light of upcoming global conferences, Ms. Srinath urged accelerated progress towards Goal 8, seek global reform of institutions and ensure that the questions of ordinary people are answered with honest, humble yet daring responses.

#### **IV. Keeping a development focus: the challenges in ensuring policy coherence for development**

##### **A. Role of donor countries/providers to enhance policy coherence**

###### **Enhancing policy coherence**

14. Non-aid policies have an enormous (underdeveloped) potential for contributing to the Millennium Development Goals.

15. Policy coherence for development is increasingly seen as the key to modern development cooperation, part of a search for a holistic approach to development and coherent global policies. The changing global environment has given strong impetus to policy coherence for development: crises, growing interconnectedness, global public goods and the creation of the Group of Twenty.

16. That wider policies matter is not a new insight, but the systematic translation into policy coherence for development has evolved in the last 5-10 years; the European Union agreed in 2005 to advance a new policy coherence for development framework based on five themes. For example, agriculture subsidies in developed countries were cut back in the European Union and the nexus between security and development has been acknowledged. The nexus between defence, diplomacy and democracy, especially in the case of countries in a special situation, was also recognized. Some progress has been made but not enough.

17. Policy coherence is a very political issue and is about political choices. The priority accorded to development is critical. It was stated that political weight, public awareness, external pressure and financial power matter more than formal structures.

18. Nevertheless, mechanisms are needed. The general framework developed by OECD can help, but mechanisms need to be country-specific. Since the political context is important, each process will be different in each country. Domestic issues will tend to have more weight, often leading to the neglect of external obligations. This needs to be avoided.

19. The European Union has established a policy coherence unit, as well as a biannual report for policy coherence. It has also developed a workplan in this area. A special unit for policy coherence was also established in the Netherlands.

20. It is difficult to operationalize policy coherence. Policy space and the ability to implement national development strategies are essential to foster policy coherence, especially in recipient countries.

21. It is also necessary to create and abide by commitments at the global level as the ultimate objective of policy coherence. There remain imbalances between the three pillars of sustainable development, with the economic one receiving the greatest attention. The monitoring of multilateral rulemaking and of Goal 8 is important and the United Nations has a key role in this area. There is also the need to highlight results and impact by conducting research and evidence-based analysis, developing indicators and enhancing accountability.

22. Donor/provider countries should focus on a broader development policy and connect with the local and national level in developing countries. National policies need to be a part of global policies.

23. Aid is also crucial, notably as a complement to policy coherence. Policy coherence for development is not an alternative for aid.

### **International policy regimes, incoherence, and their impact on development**

#### *Trade/finance/debt relief*

24. There are some contradictions in the area of international trade and trade policy. Free trade is often not free, as evidenced by tariffs, export subsidies, domestic support and a range of non-tariff measures and other restrictions. These contradictions are currently not conducive to development and their perpetuation should be abolished.

25. The gains from tariff reductions and other trade measures become less significant when compared to the risks stemming from exchange rate movements and speculative financial flows. Changes in exchange rates between countries can seriously affect the competitiveness of their exports; speculative flows of “hot money” can also affect the exchange rate.

26. “Carry trade” — taking advantage of interest rate differentials between countries — has a destabilizing impact on receiving countries, as it forces an appreciation of their currency and increases inflationary pressures. The country is then forced to keep large reserves in store as insurance against a sudden reversal of these capital inflows, as happened in Asia in 1997 and 1998.

27. Aid for trade is one way to increase revenues. It should be clearly targeted at development. It was said that it should be handled by the United Nations Conference on Trade and Development at the international level.

28. There is a need for greater surveillance and management of exchange rates between countries to avoid competitive devaluations and speculative flows. Such an agreement would reflect the kind of non-discriminatory, rules-based system that exists for trade and would provide coherence between the trade and financial systems so that finance no longer undermines trade.

29. Coherence between aid and other flows of finance should be enhanced. For instance, official development assistance could be used to strengthen tax systems, address the skewed distribution of foreign direct investment flows (which should be directed towards most aid-dependent countries).

30. In order to enhance coherence between aid and other financing flows, it would be useful for countries to produce estimates of the costs of incoherencies related to bad policy choices and legislative gaps, such as capital flight, unfair export credits and subsidies.

31. Highly indebted countries also need to be assisted with their repayments and borrowing requirements, so that aid is not wasted on servicing debt. In this respect, it was suggested that a multilateral debt resolution mechanism should be established. It would improve the coherence between debtors and creditors and the efficiency of aid spending and debt relief. During the financial and economic crisis, there was a redistribution of debt from the private to the public sector, from the wealthy to the poor, in which private deficits became public deficits. In the other direction, public taxes were used to bail out private risk takers. It was said that the sovereign debt crisis experienced by several countries therefore partly represents a massive transfer of wealth from the poor to the rich.

32. It was felt that this has implications for the political economy of aid in donor countries. Aid budgets are funded by a tax system that increasingly weighs most heavily on low-income and middle-class tax payers who cannot avoid paying tax. Research conducted by the United Nations shows that aid budgets decline after an economic crisis, but there may be more calls to cut aid budgets if foreign aid and development is not seen as legitimate, that is, if Governments think they are seen to be supporting the poor in other countries and not in their own. It was said that it is time to close the tax havens and put a stop to the abuses of the privileges of wealth. This needs to be done in a coherent fashion in order to avoid arbitrage between tax jurisdictions, and the United Nations has made proposals on this.

33. There are a number of institutions and initiatives that are involved in international economic governance, as well as discussions about reform of the financial sector and the global economy, such as the United Nations, the Bretton Woods institutions and the recently established Group of Twenty. However, there is a need to ensure coherence between those institutions, their mandates, functions and policies.

34. The International Monetary Fund needs to be strengthened and reformed in specific areas, notably its surveillance and monetary policy functions. However, reform should include changes to the management of the organization so that it more clearly represents its members, as well as the diversity of opinion among them. In the past, it has focused on one set of countries (such as deficit countries) without

equal attention given to another set of problematic countries (such as surplus countries). In addition, it should remove itself from development work and focus on its core mandate.

35. Since its establishment in the past year, the Group of Twenty has taken on the mantle of international financial sector reform but has not moved quickly enough to make significant changes. Neither the G20 nor the Bretton Woods institutions in their current form can claim the same legitimacy as the United Nations, which represents nearly all countries and a much wider range of opinion and ideas. It was said that reform efforts would be more coherent if they were pursued within the United Nations multilateral system, which has already proposed many options for financial and economic reform.

#### **Need for regional initiatives**

36. In addition to the need for coherence between the national and international levels, and between donors and beneficiaries, there is a growing need for coherence at the regional level. In trade, the proliferation of regional trade agreements and export regimes can lead to confusion for businesses. The bilateral negotiation of regional trade agreements between developed and developing countries, which may contain so called “WTO+” disciplines, can also interfere with other commitments or undermine development efforts.

37. Nevertheless, regional alternatives to multilateral initiatives are a rational choice for many developing countries and can bring positive benefits. More monitoring is needed to ensure coherence with the international level however, and that a balance is struck between market access and measures and policies aimed at developing the capacity of countries to take advantage of these new markets.

## **B. Recipient country perspective on policy coherence**

#### **Importance of ownership of national development strategies**

38. A key feature of the Paris Declaration on Aid Effectiveness is the notion of ownership. It underscores the point that, once ownership is established, harmonization, alignment, managing results and accountability can be realized. Each country needs to define its own path, evaluate its challenges and prioritize the best action to ensure that its development priorities are met. Only by appreciating its historical, political, economic and social dimensions can a recipient country ensure that aid is effective. The importance of countries having their own nationally owned poverty reduction strategy cannot be overemphasized. Donor countries, on their part, have a responsibility to adopt and respect this concept and to harmonize accordingly, ensuring their projects, programmes and assistance reflect the development priorities of programme country Governments. In some instances, developing country Governments do not have sufficient capacity to take strong leadership of their own development policies and do not adequately engage with their parliaments and citizens in shaping those policies. In such a case, development partners/providers need to support them by respecting countries’ priorities, investing in their human resources and institutions for capacity-building, making greater use of their systems to deliver aid and increasing the predictability of aid flows.



39. For post-conflict countries and countries in special situations particularly, the ability of Governments to take ownership, that is, to determine how aid will be most effective, how aid is allocated and how aid is accounted for, often proves to be an insurmountable prospect. However, a dynamic shift is now evident. For example, the OECD Principles for Good International Engagement in Fragile States and Situations recognized that fragile States have special and individual needs.

40. Aid must also be adaptable, flexible and even accommodating to environments, which can shift quite suddenly both in positive and negative ways. National Governments are equally responsible for good leadership, open lines of communication and identifying their needs before they lead to further fragility. It is in this context that programme countries and their partners can meet the immediate needs of the country while making medium- to long-term plans for poverty reduction, social and economic development, capacity-building and strengthening institutions.

41. The level of policy coherence in Timor-Leste (see box 1 below) can be a model for other countries in special situations around the world. To help address these and other issues, Timor-Leste, along with the Democratic Republic of the Congo and a range of other countries in special situations, came together to create the Group of Seven Plus. The Group of Seven Plus intends to bring together post-conflict countries and countries in special situations that are committed to long-term and sustainable development through the common principles of peacebuilding and State-building and to influence donor reform. It also aims to contribute to global policy and to influence reforms through international dialogue, especially in the lead-up to the Millennium Development Goals review summit in September 2010, and fourth High-level Forum on Aid Effectiveness, to be held in the Republic of Korea in 2011.

Box 1

**National ownership is essential: the case of Timor-Leste**

Timor-Leste established mechanisms to implement and coordinate its efforts, making its development partners part of the country's national planning architecture. The process began by setting up the national priorities process and using those national priorities to guide the nation in establishing new legislation, strong social and fiscal policies and targeted, strategic annual action plans to meet the national objectives. In Timor-Leste, national priorities have shifted from year to year. In the beginning, the priorities allowed the Government to identify and resolve short-term issues that threatened national security. Some 150,000 internal refugees were resettled in less than two years, security threats were resolved without further violence and first pensions were paid to the elderly, veterans and disabled. Also, budget execution has tripled and even in the face of the global financial crisis, Timor-Leste has averaged three years of double-digit economic growth.

The country has now shifted its focus to its long-term priorities in areas such as health, education, food security, justice and regional balance. The national priorities framework offered integrated coherence in both policy and programming. Management of aid in Timor-Leste was streamlined into an aid effectiveness directorate under the Ministry of Finance. Working groups were established within the national priorities process, providing the foundation for programme alignment. Quarterly development partners meetings provide the opportunity to discuss, exchange information and benchmark progress on various programmes and initiatives.

To date, the national priorities process has proved to be a successful starting point for more effective and efficient policy dialogue between the Government and development partners. A reflection of the success is demonstrated by the fact that enhanced coordination and ownership has enabled donor funding to be reported on accurately within the annual budget, making aid more accountable, measurable and transparent.

**Experiences in establishing coherence within national policies/national development strategies and a coherent use of aid and non-aid flows (recipient country perspective of the “whole-of-Government approach”)**

42. Each country must operate on its own timeline given its own unique set of challenges that need to be addressed. This is the inherent global challenge of aid effectiveness. For many developing countries, establishing a well-designed national development strategy in itself can pose a challenge owing to myriad reasons, one of them being a lack of policy space, for instance:

(a) **Macroeconomic policies.** In seeking to mobilize resources for productive investment, countries can look to a number of financial flows, but they must coordinate and be allowed to set appropriate macroeconomic policies to maximize the benefits of these flows. Looser fiscal and monetary policies may create a budget deficit, but this is not necessarily bad in conditions of growth and employment generation, or to avoid a recession, as happened in 2009;

(b) **Industrial policies.** Looking at the experience of East Asia, it is clear that the selective use of industrial policies for nurturing and protecting strategic industries is essential for industrial diversification and building competitiveness. As with the development of advanced economies, industrial policies should be complemented by the selective use of trade policy, such as tariffs and regional trade agreements, until such a time as industries are competitive enough to compete internationally;

(c) **Labour market and social policies.** Poverty reduction and development is best sustained by employment creation and higher wages. Additionally, redistributive efforts through tax systems or labour market policies will ensure greater income equality, which has a strong link to growth and is a quick and easy way to reduce poverty. It was felt that concentrating wealth in the hands of the few creates two direct problems for development: first, they may not be able or willing to spend or invest extra financial flows; second, assuming that entrepreneurship is distributed evenly throughout the population — between men and women —

concentrating wealth at one end of the income spectrum, and generally speaking in the hands of men, potentially inhibits dynamic economic talents and innovations from contributing to the development process. Income equality should therefore be a primary target not just of poverty reduction but also of development. Social protection systems can also help the development process by providing economic and human security, but also by unlocking savings that are used in many countries as a form of self-security. For example, in China, savings rates as a proportion of incomes have increased from 16 per cent in 1990 to 30 per cent in 2010.

43. Moreover, the process leading up to the formulation of a coherent national development strategy needs to be participatory, including parliamentarians and civil society and taking into account the trends and practices within the context of the international aid architecture. It must also address the approaches the Government is adopting for managing its relationships with its diverse development partners, funding modalities and institutional arrangements for aid management and coordination. “Beyond aid” issues need to be incorporated in the national development strategy itself, with discussions on how they influence or are influenced by the international aid architecture. The most significant of those issues for most developing countries include trade, technology, climate change, agriculture, migration and remittances.

#### **Role of donor countries/providers when delivering aid**

44. The role includes:

(a) **Reducing complexity and transaction costs in the delivery of official development assistance.** At present, donors/development partners deliver aid through too many channels and in very fragmented ways. Recipient countries are faced with a complex task of having to deal with many bilateral agreements in addition to the multilateral arrangements, thereby facing very high transaction costs. For example, in Uganda (see box 2 below), there are over 40 development partners, 30 of which provide only 10 per cent of the overall aid flows;

(b) **Increasing flexibility and predictability of aid levels.** Aid levels have often increased over time, but remain unpredictable and highly volatile. Flexibility is important to recognize changes in priorities;

(c) **Respect for country systems and structures.** Decisions on aid levels are ultimately based on individual donor decisions and not on a joint commitment, despite advances made with respect to the provision of budget support in a joint framework. A considerable share of official development assistance is “off-budget”, that is, provided outside the Government’s budget, and/or through modalities that do not make use of Government systems, but rather create parallel structures and are difficult to coordinate and evaluate;

(d) **Ensuring more consistency and provision of longer-term commitments.** Within the donor community, continuous and rapid staff turnover and often poor registry systems have resulted in little institutional memory about the basis of the partnership principles and their links to other commitments. It would add considerable value if donor countries and agencies provided more long-term and consistent commitments than the short-term kind of support that has been provided.

## Box 2

**Experience in ensuring a coherent use of aid and other development financing and good practices in coordinating development and national policies for national development strategies: the case of Uganda**

In Uganda, the Government's guidelines for official development assistance management were set out in 2003 in the partnership principles of the poverty eradication action plan between the Government of Uganda and its development partners. The initiative was built on a long line of home-grown solutions to improve aid effectiveness. The principles predate 1997, when Uganda pursued the poverty eradication strategy, but are highly consistent with the Paris Declaration Principles on Aid Effectiveness of 2005 and the Accra Agenda for Action of 2008.

The Government has strengthened its national coordination mechanism, established by the Cabinet in 2003, under the leadership of the Office of the Prime Minister, to consult with the Local Development Partners' Group on the implementation of strategies, review development partner assistance, and review efforts to improve aid effectiveness. National policy coordination is conducted through governance structures mandated by the Cabinet with policy and technical committees from the Cabinet level, cascading down the Administration to lower technical officer levels. The policy coordination mechanism, though approved a few years prior to 2010, has been re-engineered and reorganized to take the lead in the coordination of all strategic policy issues including those related to aid effectiveness and efficiency.

Uganda recognized the need for a single channel for interactions between the Government and development partners. In this regard, the Government of Uganda is at present considering how to engage on ODA-related issues primarily through its local development partners' group. This would require all suppliers of ODA to Uganda, including non-traditional development partners, to join and actively participate in the local development partners' group and act under its umbrella. In order to deepen the principle of mutual accountability, aid partnership agreements must address commitments of all stakeholders, including Government, development partners, parliament and civil society organizations. This relationship is largely lacking in Uganda's aid management system. Governments and development partners need to give consideration to operating mechanisms for mutual accountability that have proved successful in other countries, such as development partner performance assessment frameworks and independent monitoring by a locally based panel of experts.

### **C. Working together towards the internationally agreed development goals: the role of foundations, civil society organizations and decentralized development cooperation**

45. Each development cooperation actor has unique skills and resources to address the most difficult developmental challenges. Non-profit organizations and other independent players have the on-the-ground knowledge, theories of change and the local manpower to ensure that the right services are delivered. Private foundations/philanthropies bring subject matter expertise and funding. Community members add a nuanced understanding of the cultural strengths that can be harnessed to turn challenges into opportunities. The United Nations provides unparalleled access to leaders and policymakers and long-established country presence, while, in addition to funding, corporations provide expertise in marketing, logistics, research and development, and project management.

46. Participants concurred that national development strategies do not always capture development realities on the ground effectively. Therefore, civil society organizations must have a role in representing citizens' needs and rights while developing better relationships with other development partners to ensure coherence. In that regard, civil society representatives need to be better included in the donor-Government dialogues. It was underscored that national ownership should be based on participatory processes.

47. Civil society organizations are development cooperation actors in their own right. They are very diverse, engaging in areas such as analysis, policy development or operational work. That richness, which is part of their added value, should be recognized through the principle that there is no "one size fits all" framework or approach to these organizations. For example, workers and employers' organizations are civil society organizations but are frequently excluded from processes on development cooperation.

48. At the same time, there is a degree of fragmentation and duplication in the activities of civil society organizations. It was therefore suggested that such organizations adopt a code of practice that fosters partnerships and mergers and avoids duplication. It was also proposed that civil society organizations should feed their activities into a single and transparent source of information (report or website) that needs to be easily accessible to parliamentarians, local governments and the public at large.

49. Civil society organizations also require stronger and better coordinated coalitions, networks and umbrella organizations. The development of such networks must be supported by Governments and parliamentarians as they act as important interlocutors with the civil society community at the grass-roots level. Care should be taken to avoid duplication and competition for already straitened resources.

50. While civil society organizations may have complex lines of accountability (for example, to the communities they serve and those who support and fund them), they are accountable for the way they deliver development cooperation. It was mentioned that an accountability charter has been developed, to which large non-governmental organizations are party.

51. On the role of the private sector, participants felt that complex issues necessitate multi-stakeholders methodologies. There are problems that the market

can solve and some it cannot. Ethical judgments between non-profit organizations and business are misplaced and counter-productive. Business and non-governmental organizations need to work together with professionalism, honesty, transparency and accountability. Foundations should work more closely together and the United Nations system should be more proactive in promoting such partnerships. Incentives should also be found to encourage the private sector to become more engaged with the poorest of the poor. “Smart philanthropy” is the approach foundations should pursue. Smart philanthropy is not just about aid. It is a way to use philanthropy to truly invest in the poor and not just give without creating real sustainability.

52. Novartis, for example, has established a medical training school in the United Republic of Tanzania, through a public-private partnership that aims at being profitable. Such partnerships should be results-oriented with some calculated risk-taking.

53. Similarly, the Arab Foundation has taken on strategic social investment through partnerships in human rights, education and youth employment. A local partnership in Palestine was a pilot in universal education that is sustainable and truly inclusive. Such partnerships also aim at the highest returns on investment. For example, linking health and education to ensure that people are able to make beneficial life choices concerning health matters is bearing results. This partnership is a multi-entity engagement at every level.

54. The role of local authorities/governments in development cooperations is equally important, yet they do not receive the attention they deserve and often lack the capacities to deliver on the responsibilities assigned to them. By 2015, 60 per cent of the world population will be living in urban areas, with a fast increase in cities from the South. It is estimated that \$200 billion will be required to meet the needs of new city-dwellers in order to achieve the Millennium Development Goals. The implementation of the Goals is dependent on basic services provided by local authorities. Food security is a factor of a city’s infrastructure. Eighty per cent of CO<sub>2</sub> emission originates in cities. There is a need for a global partnership between cities and international agencies. Cities are both recipients of aid (less than 10 per cent of official development assistance) and providers of aid and cooperation (in Spain, 20 per cent of aid is provided by cities).

55. Decentralized development cooperation is both North-South and South-South. It engages civil society organizations in partnerships that can have an important impact on development. The United Nations should involve local authorities in its processes, and the Development Cooperation Forum has a particular role in this regard.

## **V. Accountable and equal partnerships in development cooperation**

56. Deliberations at the session built on the report of the high-level symposium on accountable and transparent development cooperation, held in Vienna on 12 and 13 November 2009. Mutuality and inclusiveness of mutual accountability mechanisms were at the centre of discussions in Vienna.

57. The background study for the Helsinki High-level Symposium analysed the findings of an independent survey on the status and progress of mutual

accountability and aid transparency at the country level. Conducted by the Department of Economic and Social Affairs with the support of the United Nations Development Programme, the Interparliamentary Union, key civil society organizations and the OECD task team on mutual accountability of the working party on aid effectiveness, the survey made the following key findings:

(a) Progress on mutual accountability at the national level is limited, notably in developing national aid policies with clear targets, and behavioural change resulting from existing mutual accountability systems is disappointing;

(b) Aid relationships remain imbalanced. Recipient countries bear the brunt of scrutiny while donors are not adequately held to account. Parliamentarians and civil society organizations are not adequately represented in overseeing aid management. Providers that are not part of the OECD Development Assistance Committee rarely take part in mutual assessment reviews;

(c) Unlike the priority given to this issue at the global level, there is a striking lack of attention to the impact of aid on gender equality in mutual accountability mechanisms;

(d) Geographical coverage is also skewed, with a particular need to develop mutual accountability mechanisms in sub-Saharan Africa and appropriate support structures in countries emerging from conflict;

(e) Insufficient support is provided to develop the capacities of recipient Governments, parliaments and civil society organizations to participate in mutual accountability mechanisms. It needs to be stepped up rapidly, especially to train staff.

58. Participants re-confirmed these findings and reiterated that more effective aid coordination is critical for aid effectiveness and the achievement of the Millennium Development Goals. Mutual accountability was repeatedly highlighted as a core element of any development partnership.

59. Participants from developing countries called upon donors to better align their assistance with national priorities and respect countries' specific needs and realities on the ground. They also suggested assessing the performance of donors and publicizing assessments internationally to create a transparent system of information. Such peer pressure was said to be useful to promote changes in development cooperation behaviour, in particular to encourage putting more aid on budget, providing more general budget support, making better use of Government systems as well as ensuring multi-year aid predictability and transparency. Donors would thereby fulfil commitments made in the Monterrey Consensus and other international conferences.

60. In recipient countries, leadership to improve country systems, including reforms of procurement and monitoring and evaluation systems, as well as to develop national development strategies, is lacking or waning. In this regard, other countries mentioned that accountability should focus on the results of aid delivery and that not only recipients, but also multilateral organizations, foundations, global funds and civil society organizations need to further improve their accountability systems and be more transparent in terms of official development assistance and other financing flows. These countries also encouraged recipients to openly discuss

what donors should do. It was considered important to develop country- and donor-specific commitments and targets to measure how promises are being kept.

#### **A. Revisiting the accountability equation: country-led negotiations and dialogue forums**

61. Mutual accountability mechanisms take different forms in each country. Independent monitoring groups and donor performance assessments depend on the nature and complexity of aid relationships and the level of trust established between development cooperation partners in a given context. While some progress has been made, participants reiterated that existing mutual accountability mechanisms in all countries need to be upgraded and many more need to be created. This is necessary to hold individual donor agencies to account. Non-executive stakeholders should also be routinely included in this effort.

62. Existing assessment mechanisms and dialogue platforms usually function effectively only when commitments are made and owned at the highest possible political level. Government leadership and ownership in monitoring progress towards national and international development goals is indispensable and should translate goals into clear, understandable targets, with a positive impact on the relationship between all development stakeholders.

63. It was noted that the debate on mutual accountability has been too technical over the past few years and has to become more political, in particular by highlighting incentives for various actors and using the momentum of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals held in September 2010 to stress the importance of mutual accountability to accelerate progress towards the Millennium Development Goals.<sup>4</sup>

64. In that context, it is critical to address political tensions proactively. For example, members of different political parties and non-governmental organizations with relevant expertise from across the spectrum of civil society have to be heard in consultations on aid management. Parliaments need to more prominently articulate their concerns about lack of access to relevant aid information. Local government authorities also need to become a more integral part of global and national policy dialogue on effective development cooperation, aid delivery and achievement of the Millennium Development Goals.

65. In order to identify why change has not taken place, dialogue platforms need to be sufficiently inclusive. It is necessary to have a frank and open dialogue in this regard. Based on positive experience, it was suggested to engage stakeholders in budget preparations to help them better understand Government decision-making. This can help to develop more realistic and understandable results frameworks and avoid parallel accountability dialogues.

66. There was consensus that making the accountability framework work in a country is based on tough and inclusive negotiations of clear targets, ownership and division of labour, including at the sectoral level. Evidence has shown that time-bound joint results frameworks, with performance indicators for providers and the recipient country, work best to effectively hold each other to account and monitor

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<sup>4</sup> See [www.un.org/en/mdg/summit2010/](http://www.un.org/en/mdg/summit2010/).



progress on implementation of commitments. There is a need for a joint vision of the providing and receiving stakeholders, which should be developed with intense consultation of civil society, and a constant determination to work together in light of global and national challenges. Such a vision has to be based on national priorities and should focus on how to enhance value-for-money. Various sectoral examples exist in this regard, and should be further strengthened and shared.

67. Accountability should thus not be optional, but a clear mandate for all development actors. If dialogue structures prove to be effective and trust-based over a period of time, providers need to engage in more favourable aid modalities and agree to their activities being assessed at the country level. In particular, participants from developing countries underscored the importance of issues such as the need to provide relevant financial information and align with national budget cycles. Recipients could also develop and discuss templates to evaluate donors' performance.

## **B. Strengthening capacity for national development**

68. Actors in recipient Governments often suffer from serious overburdening of their national structures. They are entangled in a multiplicity of procedures, interlocutors and conditions and, while facing volatile and unaccounted flows, have difficulties estimating future needs and budgets realistically. Implementing bodies and national platforms have weak capacities, often leading to a strong influence of donors on the overall orientation of development policy in a country. The roles of different national actors in aid management are often unclear, similarly resulting in dominance of donors to steer processes.

69. While Governments should own and actively develop mutual accountability structures, providers of development cooperation need to provide long-term resources to help realize the ownership and avoid bottlenecks. To ensure that the recipient is really in the driver's seat, aid management units should be established in relevant Government ministries and strengthened to effectively work with all partners.

70. Despite such challenges, participants suggested that the inclusion of stakeholders may go hand in hand with national capacity development. The benefits of their participation in terms of holding counterparts answerable, raising awareness and disseminating information should be clearly identified and better documented. In an enabling environment this is essential to better allocate funds to human resources development, research and institutional capacity-building. International programmes, such as the parliamentary network of the World Bank, are critical to support such capacities, especially where access to dialogue and information is more restricted.

71. At the same time it was viewed as critical to harmonize administrative procedures and ensure inter-ministerial dialogue and diagnosis procedures, leading to better division of labour and alignment of development partners with sectoral priorities. It was strongly suggested that donors should concentrate on a smaller number of interventions and activities to reduce aid fragmentation.

72. It is particularly urgent to invest in national and local human resources in aid delivery, coordination and management. This is also important to avoid "brain drain" in this sector and to avoid competition for scarce human resources among agencies, especially in countries in special situations.

73. Against this backdrop, several participants also underscored that the costs of aid delivery would be substantially reduced if providers used national systems for procurement and monitoring, and dismantled parallel systems that have been created to channel funds. Others raised the issue of strengthening public financial management systems and referred to the public expenditures and financial accountability reform process as a fruitful mechanism. Only if equipped with adequate resources and used by donors can the Government account for incoming flows and provide high-quality data. This is also critical to reduce the share of off-budget aid.

74. In order to develop national aid strategies and conduct informed evaluations of public expenses during mutual accountability high-level political forums, participants emphasized the need for high-quality annual Government reports on aid disbursement. Independent analytical work was said to be critical for informed decision-making in this regard. Many Southern Governments require a step increase in national and decentralized analytical capacity to ensure availability of timely and comprehensive information, especially when aid is highly fragmented. Providers were urged to maximize investment in the collection of disaggregated data on aid flows.

75. There is growing evidence of enhanced engagement of parliamentarians in reviews of sectoral committees where sectoral strategies and budgets are being discussed and approved before submission to parliament. The main challenge remains the lack of resources to strengthen parliamentary oversight. Post-factum control through the comptroller's office also needs to be ensured to be able to table approved audit reports to parliament. Parliaments can organize hearings to discuss specific sectoral challenges with relevant stakeholders. Their oversight is essential for domestic accountability.

76. To strengthen answerability vis-à-vis citizens, civil society organizations called for adequate long-term investments to ensure their dedicated involvement in mutual accountability frameworks. They recalled that engaging stakeholders in mutual accountability dialogue forums should not mean keeping them away from the actual development work on the ground.

77. In addition, in order to better engage government authorities at the local level, which is where a growing share of aid is disbursed, adequate staffing, training and awareness-raising about aid effectiveness and the internationally agreed development goals was quoted as a key priority. In that respect, providers should also encourage central Governments to strengthen their exchange with subnational bodies.

78. The role of independent media, supreme audit institutions and anti-corruption agencies was emphasized as a way to put pressure on development actors, including disclosing documents and procedures. The International Organization of Supreme Audit Institutions was found to be highly effective in training those bodies. The regularity and effectiveness of such control functions can help to identify weaknesses and gaps, promote cooperation among stakeholders and develop a culture of service and performance among all relevant actors.

79. Participants also discussed how concrete gender commitments have been incorporated into country plans and budgets. The establishment of gender budgeting units within ministries of finance to bring gender targets into the mainstream of

national budgets was welcomed, as was the creation of gender ministries and national and sectoral gender strategies.

80. In order to effectively engage with all these actors, national workshops on aid management were viewed as highly beneficial exercises to match expectations and negotiate the workplans that are communicated to decision makers at all levels.

81. Finally, participants requested that lessons learned be shared more widely, and called for ways to ensure more balanced aid relationships at the country level, including with South-South knowledge-sharing platforms. Success stories too often end up unnoticed, particularly because no long-term resources are available to engage in peer learning exercises at the national, regional or global level.

### **C. The international agenda: mutual accountability towards progress on the Millennium Development Goals**

82. The United Nations has enshrined the concept of accountability in the global partnership for development, Goal 8. The main challenge to realize the compact between providers and recipients is to reconcile national development objectives with international commitments in the areas of aid, trade, debt, affordable medicine, information and communication technology for development and inclusive good governance under the rule of law. In order to achieve the Goals, it is important to bring the commitments under Goal 8 into harmony with the approach of mutual accountability. As such, elements of aid quantity, quality and effectiveness could form the basis of a stronger compact between provider and recipient countries with the participation of relevant actors from civil society.

83. In the broader context, civil society organizations underscored the importance to embed the accountability debate into an overarching human rights framework, to make equality and justice part of ensuring accountability in aid relationships. A focus should be placed on ensuring local ownership and citizen participation in aid decisions. Another concern was how to hold the private sector to account for their investments related to development.

84. The main concern of civil society organizations was that aid relationships are inherently unequal and that an international mechanism is needed where programme countries can hold donors to account. There was, however, the feeling that a dispute settlement mechanism would not be consistent with the objective of developing trust-based aid relationships. At the same time, civil society organizations were called upon to be reciprocally accountable to providers and recipient Governments for their activities. In responding, civil society organizations noted that laws were in place on the misappropriation of funds and breach of trust. They will further build on the voluntary codes of conduct to which they already subscribe.

85. While a wide range of high-quality mechanisms exists to hold stakeholders to account at the international level, they do not manage to achieve their goals, particularly because they are not seen to act in concert. It was suggested that by bringing relevant analysis together, the Development Cooperation Forum could help to accumulate a critical mass of evidence to hold providers of development assistance to account. A single structure agreed by all actors involved in public aid would avoid confusion and could ensure a clear focus and quality standards.

86. There is a need for a much stronger interface and more interaction between international and national mechanisms. Evidence from the national level, in particular from independent reports, needs to better feed into global policy dialogue. Currently, global and regional mechanisms provide little help in changing provider behaviour, as they report at different times and in different forums. The Development Cooperation Forum and the OECD Development Assistance Committee are well positioned to facilitate better coordination among existing global and regional mutual accountability mechanisms. Regional mechanisms, including the New Partnership for Africa's Development, would also be in a position to bridge global with national mutual accountability procedures.

#### **What can the Development Cooperation Forum contribute?**

87. The leadership role of the Development Cooperation Forum in mutual accountability was widely emphasized. As the international community is still facing serious knowledge gaps in mutual accountability, the Forum was encouraged to repeat the mutual accountability survey on an annual basis and to further support progress in mutual accountability to lead to a much-needed shift in the culture of accountability on the ground.

88. The Forum could act as a repository of information collected from international mutual accountability mechanisms and facilitate independent analysis and policy dialogue on effective accountability through the various forms of global and regional accountability reports and mechanisms. As a United Nations mechanism it should act as an independent body to monitor challenges and successes in mutual accountability.

89. The Forum was also encouraged to facilitate sharing of information and exchange among stakeholders on concrete lessons learned in mutual accountability, both in the context of traditional and newer forms of development cooperation.

## **VI. Coherence towards achieving gender equality goals: the impact of development cooperation in reaching the Millennium Development Goals on gender equality**

90. Crises have a disproportionately large impact on the well-being of women and girls. In that context, it is all the more critical to take stock of the challenges and solutions in promoting gender equality and women's empowerment with special focus on where aid has worked and how to scale up good practices.

91. Despite international agreements, in which development actors committed to spur progress, and innumerable well-organized women's initiatives on the ground, policymaking at the country and subnational level does not show the desired results. This implementation gap was attributed to a lack of political will and strategic partnerships to effectively tackle gender equality. Developing countries called upon development partners to systematically provide aid to help national gender entities to deliver on their commitments to support the achievement of gender-related Millennium Development Goals and national gender objectives.

92. In this regard, achieving Goal 8 through time-bound commitments to achieve the objectives on sustainable trade, aid, debt relief and technology transfer was also identified as critical to develop an enabling environment for promoting gender

equality. The nexus of development and security remains a critical component in the context of women's empowerment and gender equality. It is also important to consider that the agenda on gender equality should be equally owned by men and women.

93. International development cooperation has proved to be a central component in promoting advocacy and bringing forward the agenda of gender equality and women's empowerment in many countries. Despite the important role of the Goals, their key importance to achieve full gender equality, especially in the current post-crises scenario, is not fully recognized.

94. The lack of progress on all individual Goals is considerably gender-related. Women bear the burden of decreased development financing as they have to juggle with multiple household and work commitments, often unpaid or in the informal sector. Against this backdrop, civil society organizations called for a new development paradigm that promotes equal opportunities for all and is respectful of women's non-monetary contributions to society. This should be based on a comprehensive justice and human rights-based framework that builds on the premise of a new global economic governance system where those responsible for the financial crisis should pay for its effects. Other countries<sup>5</sup> stressed that gender equality needs to be entrenched in a broader human rights framework.

#### **A. Sex-disaggregated data needed for better evidence-based policymaking**

95. It was underscored that national averages often mask significant shortfalls and disparities and do not show growing inequalities within countries. Other states highlighted that the gender debate needs to be based on a more evidence-based policy dialogue. Because of the dire need for a reliable information base, the provision of sex-disaggregated data, data by region, age, and other socio-economic characteristics is critical. Only with such information can asymmetries between men and women be made visible.

96. It is of concern that national statistical systems have not systematically adjusted processes or outputs to respond to Millennium Development Goals-related needs. While the Beijing Platform for Action outlined an exhaustive set of recommendations on how to ensure that national systems provide basic information for gender-based programming and evaluation, adequate indicators and systems to produce high-quality data are rarely in place.

97. At the country level, statistical bureaux struggle with different sources of information that are often not directly comparable because of their differing degree of coverage. Information may also be published at different points in time. In many cases, data from international repositories may not be congruent with findings at the national level, and national systems may not report to databases at the United Nations, partly because data is not available, national agencies do not coordinate among each other and capacity is lacking to respond to growing demands. Against this backdrop, a wide range of countries will face difficulties to demonstrate Goals-

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<sup>5</sup> A breakout session was organized in the course of the Symposium, with three breakout groups: (a) Group of 77 and China; (b) other states; and (c) non-executive stakeholders. The outcome of this consultation is reflected in the body of the present report.

related achievements in 2015 because of the incoherence of national statistical systems.

98. Participants from developing countries accordingly called on providers to support the systematic development of national statistics to better plan and deliver services and monitor their impact. Also, a more dedicated allocation of funds for statistical development was said to be needed specifically to enhance the coordination of statistical bodies, both at the country level and internationally, where statistical requirements should be defined. Training on how to improve reporting on the Goals is particularly essential.

## **B. Broad evidence exists on what needs to be done**

99. There was broad agreement that the following policies have shown great potential to accelerate progress on all gender-related Goals in the short, medium and long term:

(a) Achieving parity in education and reducing dropout rates among girls, including by avoiding user fees, providing scholarships and cash transfers, hiring female teachers, providing school meals and boarding schools and securing safe transportation to and from schools;

(b) Promoting a universal social protection floor, notably with the provision of free health care, through community health approaches with special focus on maternal care and childcare and improved access to family planning;

(c) Prioritizing the creation of fully productive and decent work and giving women control over productive assets by enhancing microcredit and small enterprise initiatives, but also by addressing issues of land ownership and inheritance;

(d) Promoting positive action and special temporary measures to increase the number of women in key positions to promote more balanced national, regional and local decision-making bodies within and beyond Government structures;

(e) Remaining cognizant of the multiple burdens of women including unpaid care work when taking decisions on investment in infrastructure and agriculture.

## **C. What is the role of aid to promote gender equality?**

100. Development cooperation has clearly been helpful in making progress on such policies. To ensure maximum impact of aid in times of scarce resources, participants debated which aid modalities are most conducive to achieve gender-related objectives. It is important to carefully choose from the entire portfolio of gender-responsive aid delivery instruments, including specific funds, gender sector programming and direct budget support. Aid for gender equality should be reported on-budget to ensure integration into the monitoring and audit framework.

101. The use of national systems is urgently needed, and in many cases already possible, not only to reduce the costs of aid delivery, but also to create employment and ensure spending of aid monies in-country. In a similar vein, participants emphasized that aid allocation decisions must be better aligned with gender-responsive national development strategies. Disbursement and programming should

be adjusted to the national financial year so that the Government does not have to deal with budgets of different donor agencies at different times.

102. National structures to promote mutual accountability, such as technical working groups, donor coordination and harmonization processes and high-level forums to discuss political issues affecting implementation of commitments, too often ignore gender equality concerns. While in some countries platforms exist to discuss gender-related concerns or to promote gender initiatives, there does not exist a mainstreamed nationwide process of prioritizing gender equality in mutual accountability. In this context, it was noted that civil society organizations in particular need to make efforts to strengthen their accountability vis-à-vis other development actors.

103. Aid should be targeted towards at least three challenges: (a) capacity development, that is, building and sustaining the capacity of national women's machineries and civil society so that they can fulfil their mandates; (b) rule of law, that is, addressing the gender-blindness of national and international laws and making legal frameworks more gender-friendly; and (c) decent work, that is, further promoting microfinance, small and medium enterprises run by women and collaboration with local government authorities to create a culture of equality.

#### **D. Impact evaluation and peer learning to accelerate progress**

104. Evaluating the impact of gender-specific programmes is essential to ensuring evidence-based peer learning and more targeted funding. National indicators to assess progress on gender equality and women's empowerment should be agreed by Government representatives, development partners, civil society organizations and other relevant actors. In many cases this is already the case, but needs to be implemented through active monitoring and evaluation initiatives.

105. Such discussions should address:

- The degree to which national statistical services regularly produce sex-disaggregated information on progress in relevant social sectors to enable policymakers to conduct a needs-based analysis and monitor performance
- The political will of senior Government officials to engage in discussions on gender equality, the gender-responsiveness of national development strategies and the degree to which Governments and other stakeholders live up to promises made
- The availability of information on international and national commitments to fund the effective promotion of gender equality, for example through women's education and health, including sexual reproductive health and decent work, as a baseline to hold Governments and other providers to account
- The degree to which support systems are in place that strengthen institutions to fight violence against women and promote women's political and economic empowerment
- The gaps in achieving gender-related development goals, including the Millennium Development Goals
- The existence of discriminatory procedures in legal and policy frameworks

- The degree to which gender-responsive budgeting is in effect as a fundamental instrument in the public financial management systems of national and local governments, supported by adequate training and learning tools

106. Participants also highlighted a series of relevant examples and experiences that should be studied and replicated in other contexts to the furthest possible extent:

- The independent gender advisory body of the Asian Development Bank is a critical instrument to monitor gender progress and advise senior management. Similar structures should be set up in other multilateral institutions.
- Aid allocation and delivery decisions should take into account existing analyses that reflect the needs of men and women, as done in some donor countries.
- It was suggested that funding should go to Government systems that base their work on gender equality, without creating gender-based conditions.
- Providers should proactively update their guidelines for development cooperation and poverty reduction in light of gender equality goals.
- Some progress on providing sex-disaggregated information has already been made. One example is the African Gender and Development Index.
- Women advocates and practitioners at the grass-roots level have considerable hands-on knowledge and must be involved in consultations on development cooperation, including forums such as the Development Cooperation Forum.
- Local and regional governments have a special role in promoting gender equality. For example, gender may be mainstreamed by allocating a minimum percentage of all available local government resources to gender-specific goals and by making all other sector priorities directly responsive to gender needs.
- The United Nations Development Group task team on gender equality plans to conduct a comparative analysis of sector-wide approaches, basket funds and other types of aid modalities to determine which are most suitable to achieve the goal of gender equality.
- The list of indicators against which to track progress in gender equality and women's empowerment has been expanded in national programmes to create a more holistic agenda for gender equality. That practice is built around gender-related frameworks including the Committee on the Elimination of Discrimination against Women, the Beijing Platform for Action and the Millennium Development Goals. It should be further promoted at country level.

## **VII. Key policy messages**

107. The following key policy messages may be derived from the discussions held at the Helsinki High-level Symposium:

- (a) It is increasingly recognized that policies in all sectors and areas should be coherent with development objectives and that "non-aid" policies have an enormous, underdeveloped potential for contributing to the Millennium Development Goals;



(b) Policy coherence must be promoted within and between donor countries, between donors and recipients and within recipient countries;

(c) The existence of a strong nationally owned development strategy is an important factor enabling alignment and coherence among donor/provider countries. Policy space and the capacity to implement national development strategies are thus essential to foster policy coherence in programme countries. Simplifying aid delivery channels, increasing predictability and flexibility of aid, and using country systems also bolster coherence in development assistance;

(d) In many countries, development prospects are hindered by incoherencies in the area of trade policies, as well as between the trade and financial system. Coherence between aid and other flows of finance must also be enhanced. For instance, official development assistance should be used to strengthen tax systems and address the skewed distribution of foreign direct investment flows. Coherence should also be strengthened within the global economic governance architecture;

(e) More evidence should be collected on the impact and the cost of policy incoherencies affecting development;

(f) In the current fragmented aid environment, national ownership and leadership are more relevant than ever. Better coordination and partnerships among civil society organizations, foundations, local governments and other development cooperation actors are critical to reduce duplication of efforts and ensure sustainable development assistance. The Development Cooperation Forum should serve as a forum to promote such partnerships, including among foundations;

(g) There is a need to have a frank debate on why accountability mechanisms have still not been able to change providers and recipient countries development cooperation behaviour on the ground. While the ingredients for effective accountability are increasingly evident, development results are still lagging behind. The definition of time-bound aid targets under national leadership, sustainable capacity-building and better involvement of relevant non-executive stakeholders in development planning and monitoring are key pillars to strengthen answerability vis-à-vis citizens and development partners;

(h) The Forum has a role to discuss what has worked and not worked in mutual accountability, in particular in the context of the wider agenda for effective and coherent development cooperation. It is a platform where countries may be held accountable for progress in meeting their development cooperation commitments. It can also facilitate better coordination among other international mutual accountability mechanisms;

(i) More needs to be done to ensure that women and men benefit equally from aid. While commitments are there and solutions are known, new laws, policies and strategies need to be enacted and concrete steps need to be taken to keep girls in schools, give women access to productive assets and leadership, improve reproductive health, use special temporary measures and protect vulnerable groups;

(j) National statistical capacities need to be strengthened and indicators to track progress need to be formulated. Transparent information on the use and impact of gender-related aid and prioritizing gender equality concerns in national mutual accountability mechanisms are also critical to promote better development results. The importance of adequate resources and of an enabling environment with adequate space for civil society organizations cannot be overemphasized in this regard.