



**ROUND TABLE MODERATOR STRESSES NEED TO REITERATE CALLS
FOR SCALED-UP AID IN LIGHT OF ‘CHANGED GLOBAL REALITIES’**

With the current international economic and social landscape weighed down by myriad uncertainties -- from the declining health of the environment to shrinking credit markets and volatile commodity prices -- a senior official from the United Nations Development Programme (UNDP) today called urgently for a scaling up of development assistance to poor and vulnerable countries and for donors to renew past commitments to ensure more predictable and effective aid.

“Increasing financial flows to developing countries is critical to attaining the Millennium Development Goals,” said Olav Kjørven, Assistant Secretary-General and Director of the UNDP’s Bureau for Development Policy. The most common refrain from the major conferences and summits convened by the world body over the past decade was the need to scale up official development assistance and enhance development cooperation, which remained as vital as ever.

Yet, with the international community gathered in Doha, Qatar, for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, Mr. Kjørven said it was imperative not only to reiterate that call, but also to discuss development financing and the significance of predictable, untied and effective aid in light of current realities.

That required an assessment of the changed global landscape since the adoption of the “ambitious goals” of Monterrey and an honest examination of the impact on developing and least developed countries of the current unprecedented convergence of crises. It was impossible to ignore the “nail-biting” over the status of the Conference’s outcome document, especially as it was expected to set the course for the development financing agenda in the years ahead. Stakeholders must, therefore, stand by their commitments, especially since official development assistance could help many poor countries avert economic depression. Strengthened technical cooperation could help those countries identify policies and systems to cope with future challenges.

Mr. Kjørven was moderating a round-table discussion themed “Looking ahead; increasing international financial and technical cooperation for development”. Based on one of the six chapters of the Monterrey Consensus, the discussion was co-chaired by Laurent Gbagbo, President of Côte d’Ivoire, and Laszlo Varkonyi, State Secretary at Hungary’s Ministry of Foreign Affairs. The expert panel featured: Bader al Dafa, Executive Secretary of the United Nations Economic and Social Commission for Western Asia (ESCWA); Ahmad Mohamed Ali Al-Madani, President of the Islamic Development Bank; Eckhard Deutscher, Chair of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD); Gargee Ghosh, Senior Program Officer for Development Finance and Policy at the Bill and Melinda Gates

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Foundation; Jean Ping, Chair of the African Union Commission; and Sam Worthington, President and Chief Executive Officer of InterAction.

Briefly recounting the events of a year “marked by upheaval”, Mr. Ping recalled that, following the collapse of key financial markets, an abrupt slowdown of economic growth now threatened to throw the world into a recession. “That is the backdrop of this Conference”. Participants should recognize the impact of current events on their work. At the same time, voices had long been raised in warning about the large swathes of Africa that would fail to meet the 2015 target date of the Millennium Development Goals, despite strong growth patterns in the continent’s individual countries.

There had been a rapid and coordinated response to the sub-prime mortgage implosion and subsequent financial meltdown, he said, wondering whether the international community truly recognized that the situation was now poised to reverberate throughout the developing world. Indeed, poor countries were destined to be “punished” as the donor community became preoccupied with bank bailouts, export sales declined, and development assistance dwindled. The impact of the economic crisis on developing countries, exacerbated by earlier volatility in commodity prices, must be addressed with a comprehensive swiftness equal to that mobilized to rescue financial markets in the North. To that end, there was a need to conclude the Doha Round of World Trade Organization negotiations this year, which would open up international markets to goods and products from developing countries and ease restrictions on exports.

Appealing to the European Union to live up to its official development assistance commitments, he applauded those countries that had acceded to the agreed allocation of 0.7 per cent of gross domestic product to foreign aid, and to the Arab and Gulf States, which shared historical and cultural ties with Africa, to scale up their assistance to the continent. For its own part, Africa was continuing with economic reforms and strategically stepping up its partnerships, including with Brazil, Turkey and other countries. Hopefully, the United States would continue its partnerships with the continent.

Echoing the panellists’ call to action, Mr. Deutscher said the credibility of the international development system was at stake, warning that unless key donors took action to increase aid, they would be failing to keep the commitments they had made at Monterrey in 2002. The OECD had issued an aid pledge designed to prevent the current financial crisis from becoming “a crisis of aid”. Well-directed assistance was a sound investment, and boosting agriculture, improving infrastructure and strengthening capacity could result in less future spending.

Citing key objectives set by the Monterrey Consensus, he called for prioritizing collective efforts to increase the predictability of official development assistance, enhance the capacities of developing countries to manage and absorb aid, and enhance the ownership and transparency of aid. The recently adopted Accra Agenda for Action on aid effectiveness did not mention conditionality. The food crisis had exposed the negative impact of tied aid as it had increased the price of such resources due to transport costs, among other things. Moreover, tied food aid often had an adverse impact on agriculture in developing countries.

On the efforts of private donors, Ms. Ghosh said that, in light of the current parallel crises, the international development assistance system could not leave the poorest and most vulnerable

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people behind, emphasizing, “We must reaffirm our commitment to the people who need help the most.” Donors and development partners must also commit to comprehensive, fair and workable solutions. The Gates Foundation was committed to creating and testing innovations in managerial, technical and policy-related fields that would yield long-term results.

The difficult economic times ahead required renewed focus on aid effectiveness and innovative ways to expand the delivery of quality aid, she said. The Foundation would promote a results-oriented framework, working with partner countries to ensure better data and to design programmes aimed at achieving results. It would also seek new approaches to increasing the effectiveness and predictability of aid while using its “voice” to build the political will to deliver concrete results.

Mr. Al-Dafa said official development assistance played an important role in financing development, especially with respect to enhancing infrastructure and social services in least developed countries. While aid had increased in recent years, a significant portion of it had been directed to debt relief and mitigating the impacts of natural disasters. At the same time, some 30 years had passed since the adoption of the 0.7 per cent development assistance target, and there was a need for developed countries to live up to their commitments to ensure that all nations achieved the internationally agreed development goals.

Turning to the situation in Western Asia, he said Arab States and the Gulf Cooperation Council (GCC) countries had provided generous assistance to a number of developing countries. Some 15 per cent of that total assistance went to African countries, 22 per cent to Asian countries, and 63 per cent to other Arab States. Saudi Arabia ranked first among Arab donors, followed by Kuwait, United Arab Emirates and Qatar. The assistance provided by those States, unlike that of the traditional donors, was largely unconditional and was given in the form of grants.

Highlighting the share of assistance provided by Arab countries to Iraq, Sudan and Syria, among others, he said such aid was not enough to address the development needs of those countries. There was a need for the wider international community, especially the developed countries, to live up to their obligations.

For his part, Mr. Al-Madani, noting that the Islamic Development Bank played an important role in fostering development, said it comprised 56 member countries, most of them in the South, and that was why it had placed development at centre stage by strengthening South-South technical cooperation, among other things. Sub-Saharan Africa contained 40 per cent of the Bank’s membership though poverty in the region was still acute, especially in the face of the ongoing financial, food, natural disasters and wars. Poverty and despair bred instability and conflict and the reverse was also true. There was a need to ensure proper coordination and overall coherence in implementing development programmes.

Islamic teaching condemned any act that obstructed the dissemination of knowledge, he said, describing microfinancing as just one example of innovative thinking. The international development community should select a number of countries and help them to graduate out of poverty. There was a win-win paradigm; when the poor got richer, it was for the benefit of everybody, including the developed countries.

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Representing the non-governmental organization community in the United States, Mr. Worthington said that in 2006 an estimated \$54 billion in development aid had come from private sources. Many of those flows had gone through non-governmental organizations in partnership with others, including local community groups working with the poor. Non-governmental organizations added value to development assistance work because they targeted community-level action.

He said the challenge was accounting for the resource flows and ensuring their effectiveness. To that end, some 97 non-governmental organization platforms -- civil society groups working under one umbrella -- from 97 countries had met twice in Paris to create a process of development effectiveness and contribute to local ownership and transparency while harmonizing standards and setting norms.

Pointing out that non-governmental organizations were at the heart of development, he said they delivered more than half of all development programmes around the world while the financial crisis would result in a 10 to 15 per cent decrease in private funding. Governments should, therefore, increase official development assistance to offset that loss in funding. A financial system that produced tremendous losses in the South must result in compensation from the North.

In the ensuing discussion, several speakers addressed aid conditionality, stressing that it was against the principle of assistance. The representative of Bahrain warned that political objectives should not be imposed on assistance while a delegate of Bangladesh pointed out that technical assistance was often redundant, noting that his country had been forced to accept technical assistance in microfinance whereas, as a pioneer in that field, it was providing such assistance to other countries. Experts often lacked the requisite expertise.

A civil society representative voiced concern about the decreasing volume and quality of aid, noting that conditionality undermined ownership and often increased poverty. Aid effectiveness was fundamentally about democratic ownership as local communities knew best what was needed. Innovative finance mechanisms should be transparent and participatory, including civil society. There was a need to impose a tax on currency transactions and speculation in currency values.

A speaker from Indonesia stressed the importance not only of scaling up aid, but also of ensuring that it was more effective and truly enhanced development. "This is about a new paradigm of aid," that would help countries put the right systems and measures in place to become self-sufficient.

A representative of the Inter-Parliamentary Union (IPU), noting that parliaments generally held the governmental purse strings, said there often appeared to be a disconnect between what the public was willing to provide in development assistance and what their elected officials were prepared to finance. Indeed, in the United States and other developed countries, when citizens were asked what they thought was a "fair amount" of development assistance, the response was often higher than their Governments' actual allocation. There was a need to ensure a better alignment of public and official views.