



International Development Cooperation Today

Emerging Trends and Debates





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A publication of the UN Non-Governmental Liaison Service (NGLS)
with Gretchen Luchsinger



United Nations
New York and Geneva 2008

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NGLS gratefully acknowledges the United Nations Development for Women (UNIFEM) for its support in the production of this publication.

UNCTAD/NGLS/2008/3

Published in October 2008 by
The United Nations Non-Governmental Liaison Service (NGLS)
Palais des Nations, CH-1211 Geneva 10, Switzerland and
Room DC1-1106, United Nations, New York, NY 10017, United States

Cover Photography:

(Left to Right) Fifty-eighth Annual DPI/NGO Conference Underway at UN Headquarters, 2005 by Mark Garten, Hospital Construction in Côte d'Ivoire, 2004 by Eskinder Debebe, Farmer Harvests Sorghum Seeds in Sudan, 2006 by Fred Noy, 57th Annual DPI/NGO Conference Begins Today at UN Headquarters, 2004 by Devra Berkowitz



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Governments have over the last several years adopted and committed to a number of internationally agreed development goals, including the Millennium Development Goals (MDGs). These commitments build upon and consolidate the outcomes of the world summits of the 1990s that focused on the environment, human rights, population, social development and women. Today, the MDGs provide a common framework for the normative and operational activities of the United Nations in the field of international development cooperation.

As this book goes to press, the world finds itself in a myriad of 'crises', from issues related to food security, climate change and energy sources. People are faced with pressing shortfalls, volatile commodity markets and a general lack of clarity on how best to address these various and inter-related challenges. The current economic downturn and financial turmoil add to the complexity of the response needed as they affect the capacity of the international community to achieve the MDGs and to provide for the types of programmes and policies needed to build a more sustainable future.

Thus, the concept of 'international development cooperation' becomes all the more important. Development cooperation can take many forms, including financial and technical assistance as well as emergency aid. It involves an increasing variety of institutional actors, such as governments, international organizations, non-governmental groups and private foundations.

However, as the world marks the mid-point to the achievement of the MDGs, several developing countries remain poorly equipped to manage the challenges of global economic integration and to meet the MDGs. And as the developed world struggles with its own economic and monetary policies, many developing countries are finding it increasingly difficult to cope with this evolving set of new challenges. The achievement of MDG 8, which is to 'Develop a Global Partnership for Development' and which embodies the concept of development cooperation, is more urgent than ever. In this regard, the United Nations plays a key role in mobilizing political support to strengthen the concept of global partnership for development.

Crucial in any effective partnership for development is the involvement of people and people's organisations. It is being increasingly recognized that policies that lack the input of those people who are affected by them will ultimately prove less successful than those that do. NGLS supports multi-stakeholder processes to build a strong and robust partnership for development.

I hope this book will prove useful to a wide variety of development actors in better understanding international development cooperation and the opportunities to add a multitude of voices to discussions around it. In this way, policies can be better crafted and implemented.

Elisa Peter
Acting Coordinator, NGLS
October 2008





The landscape of official development assistance (ODA) has shifted in the last few years. This has taken place in the midst of debates on the quantity and quality of aid, and the effectiveness of international institutions. These in turn have unfolded against a larger backdrop of global political and economic changes, including the rapid expansion of the world economy and the emergence of some former aid recipients as new aid donors.

Finding enough money to fulfil the development commitments made in UN-sponsored international conferences throughout the 1990s remains a critical question. ODA, while only one source of development financing, is an important factor. But discussions about financing in general have been complicated by the noticeable lag in connecting newly agreed international standards to action and progress. Other concerns relate to the fundamental validity of current development paradigms. Many remain focused on a narrow set of macroeconomic variables, rather than the broader agenda of human development that encompasses social equity, gender equality and fair access to economic resources such as decent employment. Recent deliberations on the effectiveness of ODA have mostly sidestepped these dimensions.

The issues at stake suggest the need for a renewed focus on improving the system of international development cooperation towards the achievement of human development goals, including through broad-based, multilateral debate reflecting diverse perspectives. The United Nations is one forum where this can happen. The role of the UN includes providing space for the full spectrum of Member States to work towards agreement on common principles. To support countries in implementing these commitments, the UN operates programmes through its family of development agencies, and conducts research and statistical analysis to inform development policy and practice.

NGOs contribute expertise to many of these processes. Some carry out programmes as partners of UN agencies. Others advocate for new national and international policy directions, with a substantial track record on gender equality, human rights, poverty reduction and sustainable human development, among other subjects. NGO voices are particularly critical at the current moment, when changes in the global political and economic environment present both risks and opportunities.





Mapping Global Trends—Monterrey, Paris and Beyond

After the UN development conferences of the 1990s produced a series of landmark agreements on gender equality, human rights and sustainable development, among other issues, UN Member States met at the 2002 International Conference on Financing for Development (FfD) to grapple with how to pay for them. FfD took place at a time when it had become increasingly obvious that many developing countries remain poorly equipped to manage the challenges of global economic integration.

Funds to jumpstart national development were falling short—including from international development cooperation, which comprises financial and technical resources, debt relief and some emergency aid supplied by developed countries. For many poorer countries, international development assistance can be the single largest source of external financing. It remains a lifeline to attracting other kinds of resources, and bolstering critical infrastructure and social services. The global financial crisis, higher food and energy prices and the early impacts of climate change are only producing additional points of vulnerability.

The Monterrey Consensus that emerged from the FfD negotiations underscored the need for a holistic approach to development financing as essential to a more inclusive, equitable global system. It oriented financing around achieving sustainable, gender-sensitive and people-centred development, with a balance of macroeconomic objectives such as sustained economic growth, and human development ends such as the elimination of poverty and improved social conditions. It also recognized that individual countries have the primary responsibility for their economic and social development, although the international economic environment should enable these efforts, such as through trade and investment opportunities that help countries fight poverty.

FfD situated international development cooperation in the context of development financing as a whole, which also encompasses domestic resources, private capital flows, trade and debt. These sources interact within a context of international monetary, financial and trading systems; domestic policy choices; and national and international political relationships. The FfD approach is premised on the notion that without coherent policies across different areas, development cooperation has only a marginal or no impact.

Signatories of the Monterrey Consensus agreed that developing countries should assume a greater voice in determining the use of ODA, and that the quality and quantity of assistance should increase. They committed to a set of principles to make development cooperation more effective, including by positioning ODA squarely within the framework of national development priorities, systems and capacities. Closer links should be forged between development cooperation and poverty reduction, while new forms of cooperation among developing countries should be strengthened.

What's new: emerging issues

The Monterrey Consensus pushed forward international agreement on the role of development cooperation. It enlarged the definition of aid effectiveness to incorporate alignment with national priorities and poverty reduction efforts, and shift the traditional one-way donor-recipient relationship towards primary control by developing countries. It provided a framework for ongoing deliberations about ODA that continue today at many levels, including at the UN through the recently created Development Cooperation Forum (DCF) and the Triennial Comprehensive Policy Review (TCPR). The latter gives strategic direction for the operational activities of the UN system of development agencies.

Since Monterrey, development cooperation debates have also taken a more concerted look at emerging global trends that are redefining the meaning of ODA, yielding new funding options, and altering traditional decision-making patterns related to the supply and use of resources. As a brief reference point, these include:

- The rapid economic growth of some developing countries: Some nations have been able to reap substantial benefits from rapid industrial development, high commodity prices, foreign direct investment (FDI) flows and massive remittances from migrant workers, among other factors. For them, ODA has declined in significance as an economic input. Some have become politically more assertive about how development cooperation is used, and in the larger arena of international political and economic relationships.
- New South-South economic links: These are contributing to new centres of political and economic power in the global South. South-South trade is rising faster than world trade; in 2005, 46% of the total merchandise export of developing countries went to each other.¹ In 2007, much of the US\$456 billion in FDI flows to developing countries came from nations now defined as middle-income.²
- Limited participation in global economic governance: Developing countries were the source of 40% of global economic growth in 2007,³ but they still have only a marginal role in the formulation of global financial and monetary regulations and decisions about the use of ODA. As a result, their priorities and capacities remain inadequately reflected.
- Diverging development scenarios: ODA has acquired different meanings in middle-income and least-developed countries. Middle-income countries may look at development cooperation as a way to acquire specific forms of technical expertise, including to attract private capital flows. The least developed countries (LDCs) may depend on ODA to pay for basic health and education services and infrastructure. The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has made a commitment to increasing ODA to the least-developed countries, which is now rising faster than overall aid. A 2005 international pledge by the G8 to double aid to Africa by 2010, however, has achieved only a 10% increase.⁴
- Disparities within countries: Widening internal disparities are occurring in countries at different points on the development spectrum, including those

where national averages suggest they have become relatively well off.⁵ Debate about diverting ODA resources away from countries with rapid aggregate economic growth, however, has not always probed the issue of whether or not new wealth is reaching women, remote geographical areas, ethnic minorities, historically excluded groups, the poorest populations and others. There has been little focus on the anti-poverty quality of growing sources of development financing such as foreign direct investment.

- Continued fears of volatility: The spectre of excessive financial market volatility has encouraged countries to protectively stockpile foreign exchange reserves, at times at the expense of social spending. The Monterrey Consensus suggested that multilateral and regional development banks could help mitigate volatility by offering flexible financial support, but there has been little progress in protecting developing countries from external shocks such as a sudden drop in commodity prices. A significant number of middle-income countries are now heavily indebted, often from private sources, with a dim outlook if the global economy slows.⁶ ODA remains poorly coordinated with economic cycles, even though reductions during periods of decline exacerbate social and economic impacts.
- The proliferation of donors and donor activities: There are now more than 1,000 donor agencies, including 56 bilateral and 230 multilateral institutions, sparking concerns that different initiatives are contradicting or duplicating each other, and imposing additional burdens on programme countries (i.e. aid-receiving countries). By 2005, an estimated 65,000 donor activities were taking place worldwide, up from 20,000 in 1997. At the same time, this has sparked an increase in the number of actors in this field and the average donor programme budget has declined, from US \$2.5 million to US \$1.5 million.⁷
- “New donor” countries: Several nations that previously only received aid have become or are on the verge of becoming donors themselves. ODA originating from countries in the global South reached US \$12.6 billion in 2006,⁸ non-G7 countries gave nearly US \$29 billion that year.⁹ In 2007, China and Egypt were among a handful of developing and transition countries that for the first time became donors to the World Bank’s International Development Association, which provides grants and no-interest loans to the poorest countries. A recent UN symposium highlighted that about 29% of concessional or discounted lending now originates from countries in the global South.¹⁰
- New cooperation arrangements: These include South-South and triangular cooperation models. Developing countries may work directly with each other, or in triangular configurations that involve a donor country and one developing country providing technical expertise to another. There is limited analysis on how these new arrangements are working, but some early research suggests that they tend to be more aligned with national priorities of recipient countries and less encumbered by bureaucratic procedures or conditions on use.
- Other new donors: These include private foundations and charitable agencies. The OECD-DAC estimates that grants from these types of organizations from DAC member countries rose from US \$8.8 billion in 2002 to US \$14.6 billion in 2006.¹¹ A number of new vertical funds¹² have been created to work on par-

ticular themes, generally across countries and regions. These now channel about 2% of ODA. Large funds can have significant impacts on development financing and national planning—the Global Fund for AIDS, Tuberculosis and Malaria, for example, has doubled ODA spending on infectious diseases. As a result, these have risen in prominence on health sector agendas, particularly in sub-Saharan Africa.

- Climate change: Damage to the environment and its attendant consequences for human development—including natural disasters and the decimation of some economic sectors—has inspired global concern. The UN Development Programme has already estimated that about 4% of ODA annually should be going towards “climate-proofing,” with a mix of both developmental and environmental imperatives.¹³ So far, discussion about climate change and development cooperation is in a relatively nascent stage, although the World Bank has been proactive in establishing new climate investment funds. Given the potential magnitude of the problem, there is concern that resources, rather than being expanded, will be extracted from already limited sums of ODA.

What’s the same: aid quality and quantity shortfalls

The changes in the world today, particularly the emerging political and economic power in the global South, will undoubtedly have a major impact on international development cooperation discourse and practices. They have the potential to alter the course of debates on two longstanding flashpoints: aid quality and quantity. Both have been the subjects of decades of international negotiations, but with little progress until recently.

The Monterrey Consensus, in broadening the parameters of aid effectiveness, attempted to address consistent criticism of development cooperation as mainly controlled by donor interests, and frequently inadequate, reactive, selective, unpredictable, volatile and hobbled by externally imposed conditions. When aid suddenly declines or is not systematically disbursed, countries with relatively fragile economies may face choices such as mobilizing replacement resources through increased taxation or spending cuts, at times for vital social services. Aid surges can also take a toll, including by triggering the build-up of domestic debt or the onset of Dutch Disease.

The international commitments made in Monterrey and elsewhere have been important steps, yet several common practices continue to cut into the quality of aid.

They include:

- Tied aid: This involves stipulating that ODA-supported initiatives use suppliers from the donor country, an arrangement that by OECD estimates raises costs up to 50%.¹⁴ While DAC members have reported an increase in untied aid from 2002 to 2006, the figures are imprecise because some governments do not share this information. A tendency remains for contracts even under untied fi-

nancing to go to donor country companies. This reduces the value-for-money from aid and diminishes opportunities to support programme country capacities.

- **Conditionality:** Through these, donors attach strings to resources, such as requiring recipient countries to take certain actions before funds are disbursed, or to impose externally derived performance criteria. Conditionalities may apply to financial management, policy frameworks, planning or implementation processes, governance and legal systems, or the outcomes of support. Donors have justified conditionalities as a way of ensuring that ODA is well spent, in some cases given political obligations to taxpayers. Criticisms of conditionalities include the limitations they impose on policy options and significant administrative burdens.
- **Unpredictability:** This can disrupt essential services, such as the delivery of food or drugs, along with budget and programme planning. Less than 65% of ODA disbursements arrive in the scheduled fiscal year; only 40% of aid is programmed across multiple years.¹⁵
- **A lack of funding flexibility:** Restrictions on the capacity of recipient countries to respond to shifting development priorities and needs, including those that arise through variations in economic cycles, occur when donors place stipulations on the use of funds. The UN estimates that only about 15% of ODA comes with a sufficient degree of flexibility to meet programme country requirements.¹⁶

The quantity of aid is in some respects an aspect of aid quality, since without sufficient resources, countries cannot jumpstart their economies and provide services to their people. Most developing countries still need to borrow resources to fund their development, but insufficient concessional ODA grants and loans are forcing some to resort to loans from other sources. These are riskier and more expensive, and have a history associated with economic crises.

In multiple international agreements since the 1970s, including the Monterrey Consensus, donor countries have committed to devoting 0.7% of their gross national income to ODA. Yet, despite some surges in aid after the Monterrey Consensus, the ratio between ODA and gross national income fell from 0.33% in 2005 to 0.28% in 2007;¹⁷ only five countries to date have reached the agreed target.¹⁸ By one estimate, the past 30 years of shortfalls add up to US \$3.1 trillion at 2005 prices.¹⁹

By the end of 2007, ODA was close to US \$103.7 billion. About 49% came from bilateral sources, 30% from multilateral sources and 8% from the UN.²⁰ In 2006, nearly US \$19 billion qualified as debt forgiveness,²¹ which has constituted a significant portion of overall ODA calculations in recent years, although the developing world continues to spend US \$13 on debt repayment for every US \$1 it receives.²² At current rates of progress, donor countries will not achieve a 2005 commitment²³ to boosting annual ODA to US \$130 billion by 2010.

Box 1.1: Where's the Money Going?

Donor countries have different ODA policies and approaches to development. A recent survey of 22 aid policies found that top priorities are education and health, followed by reducing income poverty, increasing gender equality, protecting the environment, ensuring peace and security, and improving governance. There is much less emphasis on employment, hunger, social protection and integration, and science and technology.

There are wide variations in strategies to tackle these issues. Some donors stick to education to support gender equality. Others focus on women's health and rights. Some promote the private sector in governance work around the provision of public services. Others seek to advance the representation of the poor and civil society.

Most donor aid policy statements do not link aid effectiveness to progress on the broader issues of trade, debt, investment and technology transfers. Over the last 25 years, aid to productive sectors, particularly agriculture, and economic infrastructure have declined by as much as 80%, offset by increases to social sectors such as health and education, and to governance programmes. Recognizing that economic investments are critical to poverty reduction, some donors have begun paying more attention to support for infrastructure, trade and production. One cautionary note, however, comes from the history of this area of assistance. An emphasis on loans rather than grants saddled some nations with large debt burdens, particularly for infrastructure projects.

Many of the international development commitments made over the last decade through global UN conferences pertain to cross-cutting issues—aspects of development that require action in many different sectors, such as human rights, gender equality and sustainable development. To achieve gender equality, for example, women need education, jobs and support for domestic care responsibilities, among other things. Much has been said about the need to mainstream cross-cutting issues through aid strategies. Much less has been accomplished in providing funding that can be tracked as supporting programmes in different sectors oriented around common development objectives. Attention to cross-cutting issues can suffer as a result.

Source: UN ECOSOC 2008b.

Box 1.2: Absorbing and Managing Aid

For programme countries, domestic factors that influence ODA usage include absorptive capacity, which is the ability of national governments to fully integrate and use resources in macroeconomic planning and public service delivery. The Monterrey Consensus agreed on the need to enhance these capacities towards the use of aid delivery instruments that respond to national needs and ensure resource predictability.

So far, relatively few countries have capacities and strategies in place to coordinate all aid flows and activities. Tracking the impacts of ODA is complicated by the persistence of multiple donor evaluation frameworks.

International support for developing aid management techniques has gone mostly towards financing and planning ministries, rather than to sectoral ministries, parliamentary committees and civil society groups that might look beyond economic efficiency dimensions.

Adjusting the aid equation?

One attempt to respond to global changes and international commitments to development cooperation has been the Paris Declaration on Aid Effectiveness. In 2005, the OECD-DAC organized a high-level forum that produced the declaration. Ninety developing countries, 30 donor countries and 30 development agencies, including the United Nations and the World Bank, committed to five principles:

- Advancing national ownership, implying developing countries' increased control over the use of ODA;
- Aligning ODA with national strategies;
- Harmonizing the activities of different aid agencies to increase efficiency and reduce burdens on national partners;
- Managing for development results, comprising clear and measurable definitions of objectives and performance, and;
- Mutual accountability for the use of aid.

The Paris Declaration aims to reform the delivery and management of aid through far-reaching and measurable actions. While more limited in its definition of aid effectiveness than the Monterrey Consensus, in principle it takes a major step towards transforming the past donor/recipient relationship by embracing the FfD notion of partnership. The use of national strategies underscores both the importance of national ownership in determining priorities, and the need to consider all sources of development financing within one framework, as emphasized in the Monterrey Consensus.

The Paris Declaration stresses the performance of aid as a critical complement to increases in volume. It comes with a set of targets and indicators to monitor aid effectiveness, across

each of the five principles noted above. Some of these require action on the part of donors, such as the increased use of national procurement systems and improved aid disbursements. Others focus on public financial management changes made by recipient countries and are grounded in the Country Policy and Institutional Assessment scale (CPIA) of the World Bank. The CPIA refers primarily to macroeconomic, fiscal and debt policies, along with rule-based governance, the quality of budgetary and financial management, the efficiency of revenue mobilization, the quality of public administration, and public sector transparency, accountability and corruption.

The current set of Paris Declaration targets and indicators contains no references to human development issues such as gender equality and social inclusion. This omission seems to echo the conventional assumption that if the right institutional mechanisms are in place to support economic growth, the benefits will automatically trickle down to different population segments, although the record of this model has been mixed. On the donor performance side, a potential hindrance to monitoring targets and indicators is the reluctance of some countries to provide complete statistics on their aid activities. The indicator on untying aid suggests only that there be continued progress over time.

Civil society groups have flagged some concerns with the Declaration. They question whether it goes far enough in addressing aid conditionality, recognizing drivers of development beyond the State, and adequately supporting core human development and rights principles such as gender equality.²⁴ Preparing the Declaration involved participation by an array of different countries and other stakeholders. But they came together under the aegis of the OECD, not the UN, which offers a broader and more equitable platform for participation, and a stronger political impetus towards genuinely global consensus.

While the discussion on aid effectiveness is a critical one, and progress is taking place,²⁵ the experience with the Paris Declaration suggests the need for expanded debate, analysis and advocacy that recognizes the diversity of development experiences and actors and further refines the concept of development partnerships. A recent report by the UN Secretary-General concluded that since the Paris Declaration process has been primarily occupied with monitoring aid delivery, it has not demonstrated a genuine ability to change donor behaviour or to link aid effectiveness with sustainable development results.²⁶

Another recent UN report notes with concern that despite donor commitments to genuine “national ownership”—which is at the heart of the partnership approach to development cooperation—aid-receiving governments are still hindered from tailoring development plans that meet local and national conditions. This “gap between rhetoric and practice” means, for example, that key macroeconomic targets such as stabilization, privatization, and liberalization of notably the banking and financial sectors remain key conditions to aid. These requirements limit what governments can do and have adverse consequences. Yet greater “ownership” will not only channel aid where it is most effective, the report says, it will also help governments in recipient countries improve their governance capacities—their abilities to plan, analyse, and carry out development projects in ways that stimulate inclusive economic growth and sustainability.²⁷

Box 1.3: Determining Aid Allocations

ODA has a strong development and humanitarian justification, but in reality it often reflects political or economic considerations. In 2006, 15 recipient countries received 60% of bilateral aid, suggesting the extent of these influences. Around 50 countries are categorized as least developed, meaning they are most in need of external resources to boost development financing.

There is currently no international system for assessing whether or not ODA contributions are matching programme country needs, or even for ensuring that the process is objective and transparent. Without systematic correlation between allocations and poverty measurements, for example, large quantities of aid continue to go to countries with small numbers of people in poverty.

Some donors and multilateral development banks have developed aid allocation models based on national performance indicators, like the CPIA, but these mainly look at governance, policies and institutions. They are not designed to capture development objectives such as poverty reduction or gender equality. Formulated by donors, they fall short of the principle of national ownership. Another complication stems from the earmarking of funds—about half the bilateral contributions to multilateral aid channels are restricted for use on particular issues that may or may not be priorities in individual countries.

Sources: UN ECOSOC 2008b, International Development Association 2007.

Box 1.4: Paying Attention to Gender Equality

Gender equality is a fundamental human development outcome, but as a whole, development cooperation has been slow in making it a priority. Most OECD-DAC members have gender equality policies for ODA; the record on the allocation of sufficient staff and resources is more mixed. From 2001 to 2005, out of US \$20 billion in aid directed to specific development sectors, only 25% had gender equality as a principle or secondary objective. Women's health and education were prioritized, but largely at the expense of productive economic investments. Overall, the OECD-DAC's gender equality policy marker for ODA produces widely variable results—identifying from 1% to 82% of aid from individual countries as focused on gender equality.

The recent move to combine or merge funds from different donors, particularly through single national entry points such as ministries of finance, has provoked concerns that even the existing limited attention to gender equality could be further blurred or lost. The Paris Declaration emphasized the importance of harmonization on cross-cutting issues such as gender equality, theoretically in order to magnify and extend the reach

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of funds across the many fronts that require action. But it did not take up the issue of how to maintain a consistent spotlight, including through its targets and indicators. Numerous constraints on tracking the impacts of funding for gender equality relate to the lack or inadequacy of reporting mechanisms and data, both on the national level and among ODA donors. The principle of national ownership implies that gender equality advocates should participate in designing development policies, assigning funds and evaluating results.

Multilateral agencies such as the UN Development Fund for Women (UNIFEM) have played a catalytic role in advocacy around women's rights at the national and international levels, including on development financing through gender-responsive budget initiatives that spell out gender differences in revenue collection and expenditure. Globally, gender equality advocates have called attention to the fact that since gender inequalities are embedded in asymmetrical social structures, women are more at risk of financial risks and disparities. These cannot be shifted until development financing is aligned around development models structured to achieve social and economic equity. The deep social transformation that must occur for women in almost all societies is an argument for aid that is consistent, strategic and positioned within a long-term time frame.

As part of the preparations for the 2008 FfD review in Doha, Qatar, women's activists have made several recommendations related to development cooperation.

They include:

- The purpose of ODA should be to expand economic capacities and redress structural inequities, including gender discrimination.
- South-South cooperation and new sources of financing should be welcomed as opportunities to make aid flows more predictable, in support of internationally agreed development goals.
- “Positive” conditionalities related to gender equality should be removed in favour of stronger responsibility, accountability and transparency for both donors and programme country governments, with the latter propelled by their own empowered political actors.
- Monitoring and evaluation tools should be developed to assess whether or not aid achieves gender equality and other redistributive goals, and to ensure that gender equality is not lost as a cross-cutting issue in donor strategies or national development plans. Participatory processes should create the tools.
- ODA discussions should be programme country-driven and inclusive, and subject to multilateral review, such as through the ECOSOC Development Cooperation Forum.

Source: UN ECOSOC 2007, Women's Working Group on Financing for Development 2008.



The UN: Defining and Upholding International Norms and Standards

International development cooperation involves deliberations at many levels: among ministries within individual governments, among donor governments, among developing country governments, between developed and developing country governments, at the OECD, through UN intergovernmental negotiations, within the governing boards of the Bretton Woods institutions (the International Monetary Fund and the World Bank) and the UN development agencies, and among different civil society actors, including NGOs.

Targeted discussions among small sets of development partners have a clear rationale. At the same time, the UN's inclusive multilateral forums establish internationally agreed approaches and norms with a high level of global political legitimacy. The UN also has a role in tracking the fulfillment of these commitments, the moral authority to call attention to shortfalls, and a mandate to maintain a focus on the human development agenda. It integrates these globally agreed commitments into operational guidelines for UN development agencies, in processes such as the General Assembly's Triennial Comprehensive Policy Review (see page 23).

The UN's inclusiveness extends to NGOs. Under various configurations, NGOs participate in intergovernmental negotiations and help implement UN programmes. Many have convened through national, regional and international UN processes to articulate and advocate for collective concerns stemming from common experiences across countries. The following pages look at entry points specifically for international development cooperation advocacy—both in defining international commitments and demonstrating their application.

Agreeing on norms

Across multiple forums, UN Member States routinely engage in brokering intergovernmental consensus on peace and security, humanitarian concerns and the full spectrum of development issues. On development financing, including international development cooperation, FfD and its associated follow-up meetings have become international reference points, but a number of other UN processes led into or are building on the Monterrey Consensus. Tracing the links can reveal how new agreements and standards evolve, as a step towards identifying opportunities for advocacy. Agreements struck in one forum acquire a certain political weight and may be picked up or adopted by others.

The Monterrey Consensus arrived on the heels of an earlier and still ongoing UN process that began at the 2000 Millennium Summit which produced the Millennium Declaration, followed by the Millennium Development Goals (MDGs). They have refocused development cooperation on human development outcomes, with strategies and resources aligned accordingly.

The Goals bring together key commitments from the series of international development agreements struck in the 1990s (on key issues such as the environment, population, social development and women) in a basic plan to reduce the development gaps faced by many countries. The MDGs have promulgated a set of minimum targets and indicators for improvements in poverty reduction, gender equality, education, health and the environment, with an endpoint of 2015. Some of these have already been refined through international debate and analysis that has involved NGO input. The poverty-related targets, for example, have been given more substance and weight by extending them beyond an initial target of halving the number of people living on less than US \$1 per day. They now involve achieving productive employment and decent work for all, including women and young people.

The MDGs entail a commitment by donor countries to increase the quantity and quality of ODA as part of a global partnership to achieve the Goals, notions underscored by FfD. As globally agreed objectives, the MDGs have often been described as a point of alignment for both national development strategies and international cooperation. Most donors and programme countries have now used them to set broad objectives; a number of developing countries have integrated them into national planning frameworks. But most aid is still not targeted to achieving the MDGs, and promised additional resources have not fully materialized. The use of the Goals in evaluations of either national or international development strategies has been limited.

In September 2005, to follow up on the Millennium Summit, the UN convened the World Summit which focused on development, peace and collective security, human rights and the rule of law, and a stronger United Nations. Its outcome document affirmed that mobilizing and effectively using resources to achieve internationally agreed development goals, including the MDGs, is central to the global partnership for development. Like FfD, it called on each country to take primary responsibility for its development, complemented by global support. It stressed national development policies and strategies as the mechanisms for organizing development financing, including aid of sufficient quantity and quality, and endorsed the provisions of the Paris Declaration.

The Summit touched on some emerging issues related to development cooperation, such as the need to differentiate the development priorities of the middle-income and least developed countries. With global interdependence reducing space for national economic policy—for example, through international trade agreements more beneficial to some countries than others—the Summit urged each government to weigh the balance between greater integration and national priorities, although without specific reference to how the international community should support this process.

The role of ECOSOC

The World Summit gave renewed momentum to ongoing discussions about strengthening the UN and better coordinating its wide-ranging activities. One of its most important recommendations in this regard was to bolster the Economic and Social Council (ECOSOC) as the principle UN body for coordination and policy recommendations on economic and social development issues and the achievement of the MDGs. At any given time, 54 representatives of UN Member States from all regions of the world sit on the Council, having been elected to three-year terms. NGOs have traditionally enjoyed broad rights within the Council's various forums and subsidiary bodies to speak and otherwise contribute to its agenda.

The Summit suggested specific steps to improve ECOSOC's coordination role. Among them was the creation of a biennial Development Cooperation Forum (DCF) to review ODA trends, encourage coherence among different development partners, and strengthen ties between global UN political processes and the UN's operational activities within countries.

Held within the framework of the Council's High-level Segment, the first Forum took place in July 2008 and convened development actors to discuss how development cooperation can more systematically contribute to the achievement of the MDGs and other internationally agreed goals (see below). The potential value of the DCF includes the fact that unlike many other aid cooperation discussions, programme and donor countries will contribute on an equal footing—and it brings to the table some of the emerging donors that have remained on the periphery of OECD-DAC processes and outcomes such as the Paris Declaration. Through regularly scheduled consultations, it will be able to foster longer term perspectives and have the flexibility to address emerging issues. These could include expanding the existing ODA system to deal with major global development crises such as food insecurity and climate change.

The DCF will also continue to present opportunities to share experiences, helping to better define the concerns of developing countries, and highlight quality and quantity issues that constrain the achievement of international commitments. It might enlarge understanding of how aid and development policies can better respond to programme country needs, and become more integrated and mutually supportive. Other contributions could include inputs to an international framework for the allocation of aid, an internationally accepted definition of aid effectiveness, the development of common procedures and reporting systems, and focused attention on increasing national capacities for aid coordination.

As a multilateral platform, the DCF may create a new level of transparency for aid discussions that could encourage more genuine partnerships between donor and recipient countries, as well as an increase in mutual accountability. An important test of the Forum's effectiveness will be in whether or not it can help expand policy space for developing countries to make choices about using and managing aid, including through links to other sources of development financing and in the pursuit of development overall.

The Forum is a political rather than a legislative process, which means it will explore and discuss issues, rather than negotiate a consensus outcome like the one from FfD. This open-ended format, while non-binding, has the potential for fostering frank discussions. For NGOs, the DCF provides space to articulate additional perspectives on development cooperation practices.

The first Forum, held from 30 June - 1 July 2008, resulted in a number of recommendations on practical measures and policy options, ranging from a call for policy coherence (particularly across the core areas of the Monterrey Consensus), to meeting aid commitments and aid allocation (in terms of modalities, the need for budget support to be increasingly used as a preferred modality), and country-driven national development strategies that are responsive to the internationally agreed development goals, including gender, the environment and human rights. The recommendations also note the importance of strong involvement (including financial) by civil society, businesses, foundations and global funds and that development cooperation channeled through non-state providers at the country level needs to be integrated into an enlarged aid quality framework. Further, the Forum should play a key role as an international mutual accountability mechanism that will contribute to holding donors and programme countries to account. Section 3 looks at some questions to explore in this regard.

The World Summit created a second ECOSOC forum that is related to the DCF—the Annual Ministerial Review (AMR). It convenes high-level political figures to exchange strategies on achieving international development goals, including through international support. They produce a ministerial declaration that serves as a statement of political intent.

Also relevant is the annual high-level meeting of ECOSOC with the Bretton Woods institutions, the World Trade Organization and the UN Conference on Trade and Development to follow up on FfD, a recommendation of the Monterrey Consensus which takes place in the Spring each year. Finance ministers and senior officials conduct open dialogues to extend coordination among major development financing institutions.

Operational programmes

As a multilateral organization, the UN works with UN Member States to implement international commitments through its development programmes. Operating mainly at the national level, these absorb a relatively small percentage of international co-operation resources. This means that they do not have the financial might of Bretton Woods institutions' country programmes that in practice often "set the agenda" of national development strategies; but they can be influential, in part because they are universally "owned" by Member States.

UN country programmes are driven by national priorities and leadership, without the kinds of conditionalities associated with other forms of international assistance. Within that context, they are also positioned to advocate for easing development gaps that remain sensitive in many countries and to support national efforts to fulfill international commitments. UN programmes are generally focused on providing services, supporting improved national capacities, or offering policy advice and technical assistance. At times, they have a demonstration role, showing what can be done so that national and international partners with greater resources come forward to scale up proven initiatives.

The strategic direction of UN agencies may be influenced in coming years by negotiations at the DCF. Currently, the General Assembly conducts a Triennial Comprehensive Policy Review (TCPR) every three years. It translates intergovernmental political consensus, including from FfD and other international development agreements, into parameters for operational development activities within the UN system. The review evaluates the contributions of the different UN development agencies to current development challenges, including those encapsulated in the MDGs and other international goals. It assesses the effectiveness of overall UN system policies and mechanisms in guiding UN operations within countries.

While individual agencies have their own mandates and areas of focus, in broad terms, they must follow the TCPR in their programmes and operations. ECOSOC provides detailed guidance on applying TCPR policies, mainly through the coordination and operational segments of its annual substantive session. Cross-agency structures such as UN Development Group, the Chief Executives Board for Coordination (CEB) and its High-level Committee on Programmes map strategic directions.

The executive boards of individual agencies, comprising government representatives, sign off on the further elaboration of the TCPR within organizational strategic plans. National country programmes draw upon these, but also are subject to negotiations with and the final endorsement of individual governments.

The most recent TCPR, finalized at the end of 2007, places a strong emphasis on national ownership. It stresses the alignment of UN development programmes behind national development priorities and plans as the “only viable frame of reference.” It calls on the agencies to increase and develop the use of national capacities, systems and human resources, and to expand national leadership in the evaluation of country programmes. National governments should have the primary responsibility for national development, for coordinating all types of external assistance, and for determining which UN agencies best respond to their needs. The UN development system should help national partners evaluate the impact of external development assistance in line with national strategies.

The TCPR is influential in deepening the coordination of UN agencies, as recommended in the World Summit outcome document, which proposed more coherent policies to assign mandates, allocate resources, manage agencies and implement programmes. Eight countries now have common programming platforms where diverse UN agencies “deliver as one.”²⁸ The latest TCPR urged continued application of mechanisms such as the common country assessment, which analyses current development trends, and the UN development assistance framework and results matrix, which orient all UN agencies in a given country around common objectives. It also called on donor countries to reduce earmarked funding to UN agencies, as this constrains coordination and attention to national priorities, and encourages agencies to pursue individual projects based on funding availability.

Within countries, there have been mixed responses to the move towards the closer alignment of UN programmes. Some governments have welcomed the idea, including the prospects of reduced transaction costs in cases where interactions with UN agencies have been streamlined under common programme and management structures. Other governments have preferred to maintain multiple relationships with individual agencies, for reasons including concern that too much coordination will reduce overall UN engagement within their country.

UN agencies have long emphasized the principle of their nearly universal presence in developing countries, rather than the performance measurements favoured by some bilateral donors and multilateral development banks to select individual nations for support. Divergences in the global economy, however, have begun reshaping how the UN looks at its contributions. The growing prosperity of some middle-income countries, for example, has made it likely that UN programmes in these States will either decline in size or phase out entirely in coming years, or begin drawing more funds for specific programmes directly from the country in which they operate. They may offer more specialized combinations of social and economic policy expertise.

This may present new opportunities to integrate human development and rights principles within national policy frameworks. At the same time, gaping human development disparities persist in many middle-income countries, and seem to be widening through globalization. A continued UN presence may be justified to maintain a

focus on these shortfalls, including through the UN's human-rights based approach to programming, which identifies patterns of exclusion and prioritizes extending new development options first to marginalized groups.

NGOs can engage with the UN system of operational development programmes at the global level through the TCPR and the substantive sessions of ECOSOC, with participation determined by the rules of the General Assembly and the Council, respectively, as well as through more general advocacy aimed at individual agencies. At the national level, NGOs may be involved in programmes assessments, design and/or implementation. UN agencies can also be allies in national advocacy initiatives consistent with UN principles. They have been instrumental in forming numerous civil society networks and supporting expanded space for civil society participation in governance and other national institutions.

Relationships between NGOs and the UN system vary by country, at times due to national provisions regarding NGO activities and participation in governance. Some agencies have longer and more extensive traditions of NGO partnerships than others, although there has been increasing emphasis on forming partnerships of all types, given the mandate to cultivate the capacities of national groups, and the need to bring together all available resources to confront the enormous development challenges still facing the world.





In Summary: Some Questions for Consideration

The push for national ownership in principle is transferring greater control over international development cooperation to developing countries. The streamlining of complex aid delivery mechanisms—at the UN and elsewhere—has been accepted as a means of reducing administrative and other burdens on recipient governments, and freeing human and other resources to achieve development outcomes.

These notions apply to multilateral and bilateral assistance through the Paris Declaration, the FfD process and the World Summit outcome. The TCPR expands them for use by UN agencies, including through its emphasis on capacity development as a means to reduce long-term dependency on external support. Step by step, UN and other international processes have been advancing discussions about international development cooperation.

Many questions remain, however. These include:

- In aid discussions, how would greater inputs from developing countries, including emerging donors, expand the definitions of principles such as national ownership, mutual accountability and aid effectiveness in general?
- How can aid effectiveness be systematically linked to development effectiveness and the achievement of human development, gender equality and other internationally agreed development goals?
- What indicators could track progress, particularly on cross-cutting issues such as gender equality, human rights and environmental sustainability, which may be mainstreamed across aid and development strategies, but without targeted funding and requirements for verifiable results?
- How can ODA be more effectively integrated into macroeconomic policy choices, within an overall framework of human development and gender equality?
- What are the implications for ODA of threats from climate change and food insecurity?
- How can development cooperation better support national policy choices and the expansion of policy space?
- From a programme country perspective, what does policy space to manage and use ODA look like? Are there basic elements that should be shared internationally?
- What should really count as aid? Should tied aid, for example, be discounted? Should there be an international standard for concessional lending?
- Should conditionalities be replaced by a greater reliance on mutual responsibility, accountability and transparency on the part of donor and programme countries? What would this entail?
- Should an international aid allocation framework be created to direct ODA to countries most in need? What would the elements be? How should aid eligibility be

defined?

- How should donor countries be held more accountable for providing ODA of sufficient quality and quantity? How can this be compatible with coordination, which could blur lines of accountability for individual donor governments?
- What systems need to be in place to monitor aid predictability and disbursement patterns? How can aid predictability and disbursement be connected to national development objectives? How can macroeconomic impacts be mitigated?
- Can the aid effectiveness agenda move forward without more transparency from donor governments, including the provision of basic data on the amount of money, how it is being spent, and what guides funding allocations?
- Do emerging donors have new approaches to development cooperation that should be replicated? Is there scope for national advocacy in these countries around cooperation models and objectives?
- What kind of strategies exist that bring together different categories of developing countries to advocate on common ODA concerns?
- Can more be done to harness NGO advocacy around aid as a platform touching many aspects of development?

The new Development Cooperation Forum may be one venue for elaborating on these questions, with its engagement of governments that both give and receive international development assistance, and its specific focus on aid. That said, financing for development issues are at the heart of many other UN forums, from world development conferences to annual political negotiations to country programmes. All of these merit attention by advocates interested in development that reaches the vast majority of people, and in doing so is equitable and sustainable over the long term.



An Overview of Entry Points for Advocacy in the UN System

The following pages profile some of the main places where NGOs can engage with the UN system on international development cooperation. Opportunities exist at both the international and national levels to advocate for political commitments and agenda setting that can be translated into programmatic implementation. Links between the two levels can also be explored; advocacy on the national level can be a starting point for governments to introduce new issues in international forums, for example.

Some UN forums are more open to NGO involvement than others. It is important to clarify requirements in advance by contacting the relevant branch of the UN Secretariat for international events, or the UN country team for national ones.

The Development Cooperation Forum

As of 2008, the DCF meets every other year to review current trends in development cooperation, share experiences to encourage a more coordinated and consensual system of international development cooperation, and strengthen ties between UN political processes and operational activities within countries.

- ***Who's involved?*** The DCF engages representatives of UN Member States, UN organizations, international financial and trade institutions, regional organizations, civil society and the private sector. An informal Advisory Group garners participation, promotes advocacy and networking, and advocates for the DCF policy agenda.
- ***What are the links to development cooperation?*** The DCF is the primary inter-governmental UN venue for debate on development cooperation. Its high degree of inclusion, spanning the perspectives of both donor and developing countries, lends it strong political legitimacy. It serves as a permanent mechanism for ODA oversight, and, as part of ECOSOC, as a link between political discussions on ODA and those on other aspects of development financing.
- ***Advocacy entry points:*** The extensive preparatory process for the DCF includes high-level symposiums, regional meetings, a stakeholder forum and panel discussions. NGO participation has been encouraged at these points as well as in the meeting of the Forum itself.

Further information is available online: www.un.org/ecosoc/newfunct/develop.shtml.

The Financing for Development Process

Following the adoption of the Monterrey Consensus in 2002, an extensive FfD follow-up process has included regular discussions within the General Assembly and ECOSOC, high-level review meetings and dialogues, multistakeholder meetings, the issuance of

annual reports on implementation by the UN Secretary-General and the creation of a Financing for Development secretariat at the UN. A major follow-up international conference will be held at the end of 2008 in Doha, Qatar.

- **Who's involved?** All UN Member States, UN organizations and the Bretton Woods Institutions. Other important stakeholders have been NGOs, the private sector and parliamentarians.
- **What are the links to development cooperation?** The FfD process situates ODA within a comprehensive framework of development resources. It provides opportunities to look at connections between different types of resources, and delves into the systemic issues influencing ODA availability and effectiveness, such as the global financial architecture and economic governance.
- **Advocacy entry points:** The General Assembly has mandated the UN's Financing for Development office to organize workshops and multistakeholder consultations that include civil society. NGOs have also made interventions in intergovernmental FfD negotiations and presented policy papers to the UN to respond to proposals drafted by the FfD office.

Further information is available online: www.un.org/esa/ffd.

The Triennial Comprehensive Policy Review

The TCPR provides a policy framework governing the operational programmes of UN development agencies, including in terms of achieving internationally agreed development goals.

- **Who's involved?** The General Assembly conducts the review. It is then discussed by ECOSOC, which drafts recommendations for adoption in the General Assembly.
- **What are the links to development cooperation?** Because of its focus on UN operational activities, globally and nationally, the TCPR determines strategic guidelines for how the UN's share of multilateral ODA is being spent.
- **Advocacy entry points:** NGOs affiliated with ECOSOC can monitor the portions of these proceedings taking place within ECOSOC. In all other instances, NGOs should consult with the Chair of the proceedings regarding their access.

Further information is available online: <http://www.un.org/esa/coordination/tcpr.htm>

UN Development Agencies: Global and National

The UN's specialized development agencies, funds and programmes work on all the major development issues, among them poverty reduction, gender equality, health and education, and food security.

- ***Who's involved?*** Individual agencies are managed by executive boards made up of representatives of UN Member States. Agency heads are part of the UN Chief Executives Board, chaired by the UN Secretary-General, and charged with coordinating global policy and management issues. The UN Development Group is a coordination mechanism focused on country operations.
At the national level, the configuration of UN agencies varies. In most countries, UN Resident Coordinators help coordinate different agencies. Eight countries have embarked on one UN pilots, whereby UN agencies work together through common programmes and operations.
- ***What are the links to development cooperation?*** The UN development agencies are engaged in global and regional advocacy, in addition to running country programmes that are aligned with national development priorities and strategies. Funding sources include the OECD-DAC, which gave US \$5.2 billion to the UN in 2006, and cost-sharing with some national governments. UN agencies can be influential players on both the international and national level because of their neutrality, global ownership, and commitment to humanitarian causes and equitable human development.
- ***Advocacy entry points:*** NGOs engage with UN agencies at multiple points, including through advocacy initiatives, research and programme implementation. While some NGOs have tended to work exclusively with UN agencies closest to their interests, UN coordination may open possibilities for more work across issues and agencies.

The Annual Ministerial Review

The AMR is an ECOSOC process that assesses progress in achieving the MDGs and other internationally agreed goals, and considers ways to speed and scale up related efforts. Discussions each year include a global review, a focus on a given theme such as poverty reduction, and national presentations. They result in a ministerial declaration.

- ***Who's involved?*** Participants include ministerial level government representatives, the private sector, civil society and academia.
- ***What are the links to development cooperation?*** ODA is integral to achieving the MDGs and other internationally agreed goals, as recognized in multiple commitments to global partnership.
- ***Advocacy entry points*** The AMR's emphasis on including different stakeholders has encouraged it to offer multiple mechanisms for participation, such as roundtable discussions, an innovation fair showcasing policies and practices, e-discussions and ECOSOC's annual NGO Forum. The lead up to the AMR includes a global preparatory meeting and national meetings in countries giving presentations.

Further information is available online: www.un.org/ecosoc/newfunct/amr2008.shtml.

Two other processes

The annual high-level meetings of ECOSOC with the Bretton Woods institutions, the World Trade Organization and the UN Conference on Trade and Development convene the major international institutions working on development financing, including development cooperation. They have invited civil society input.

The OECD has forged links with civil society through consultations with member governments and the OECD Forum, which runs alongside its annual ministerial meeting.



AMR	Annual Ministerial Review
BWIs	Bretton Woods Institutions
CEB	Chief Executives Board
CPIA	Country Policy and Institutional Assessment Scale
CSO	Civil Society Organization
DAC	Development Assistance Committee
DCF	Development Cooperation Forum
DESA	Department of Economic and Social Affairs
ECOSOC	Economic and Social Council
FDI	Foreign Direct Investment
FfD	Financing for Development
GA	General Assembly
IMF	International Monetary Fund
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
NGLS	United Nations Non-Governmental Liaison Service
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
TCPR	Triennial Comprehensive Policy Review
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
WTO	World Trade Organization



Donor country

Donor countries are countries (whether developed or developing) that provide development aid to support the economic, social and political development of underdeveloped countries to boost economic growth, reduce inequalities and improve people's living conditions. Some developing countries are now moving from being donor recipients to becoming donor countries themselves (i.e. China).

Concessional loan

A concessional loan typically carries no interest and offers a much longer grace period and maturity than other forms of financing could provide. The World Bank's International Development Association's (IDA) standard concessional loan (called a "credit") does not require principal repayments until 10 years after it is signed, with a final maturity of 40 years. Therefore, a country effectively repays only about 40% of a regular IDA credit, after applying a discount rate to convert credit repayments over 40 years into today's prices.

Dutch disease

An economic condition that, in its broadest sense, refers to negative consequences arising from large increases to a country's income. Dutch disease is primarily associated with a natural resource discovery, but it can result from any large increase in foreign currency, including foreign direct investment, foreign aid or a substantial increase in natural resource prices.

This condition arises when foreign currency inflows cause an increase in the affected country's currency. This has two main effects for the country with Dutch disease: a decrease in the price competitiveness, and thus the exports, of its manufactured goods; and an increase in imports. In the long run, both these factors can contribute to manufacturing jobs being moved to lower-cost countries. The end result is that non-resource industries are hurt by the increase in wealth generated by the resource-based industries

The term "Dutch disease" originates from a crisis in the Netherlands in the 1960s that resulted from discoveries of vast natural gas deposits in the North Sea. The newfound wealth caused the Dutch guilder to rise, making exports of all non-oil products less competitive on the world market.

Foreign direct investment (FDI)

Foreign direct investment (FDI) is the category of international investment that reflects the objective of a resident entity in one economy to obtain a lasting interest in an enterprise resident in another economy.

G7/G8

The G7 (or Group of Seven) of major industrialised democracies comprises Canada, France, Germany, Italy, Japan, the UK and the United States. The Group of Eight (G8) includes Russia. Their Heads of Government meet annually at the G7/G8 Summit to discuss areas of global concern.

Official development assistance (ODA)

Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25% (using a fixed 10% rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions.

Recipient/partner/programme country

Recipient, partner and programme countries are countries receiving development aid from governments, multilateral organizations, such as the World Bank, or through development charities.

Recipient or programme countries must often meet conditions attached to budget support or sector financing, including: policy conditions, which might stipulate that an aid recipient implement reforms in domestic policies such as public sector wage levels or subsidies to industry; process conditions that relate to transparency, participation and accountability; or outcome conditions that require that a programme country reach a certain goal to keep the aid money flowing. This may be an internationally-agreed target (such as the Millennium Development Goals), a donor priority, or a priority of the citizens of the recipient country.

Triangular cooperation

Triangular cooperation is the initiative of technical cooperation among two or more developing countries that is supported financially by northern donors or by international organizations. In addition to offering pragmatic solutions, triangular cooperation is a tactic for national self-promotion within a broader strategy of foreign relations. The spread of triangular cooperation marks a shift in both the configuration and politics of international cooperation networks.

Vertical fund

So-called “vertical funds” focus money “vertically” on specific issues or themes as opposed to the “horizontal” approach of the country model of aid; i.e. The Global Fund to Fight AIDS, Tuberculosis and Malaria.



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4. Ibid. The figure excludes debt relief.
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16. Ibid.
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18. OECD-DAC 2007.
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23. Made at the Gleneagles G8 Summit.

24. International Civil Society Steering Group, 2008.
25. From 2 – 4 September 2008, countries met in Accra, Ghana at the Third High-level Forum on Aid Effectiveness. At the Forum, representatives of developed and developing countries - as well as representatives of the UN, the World Bank and other multilateral institutions, civil society and the private sector - reviewed the implementation of the Paris Declaration. At the conclusion of the Forum, governments adopted the Accra Agenda for Action (AAA) following extensive negotiations.

The AAA adds to and broadens the language, in terms of development, used in the Paris Declaration in a number of areas; including predictability, the use of country systems and the untying of aid.

Critics, while recognizing certain improvements, argue that the Forum itself lacked transparency and that the AAA did not substantially improve on the Paris Declaration as it does not provide the fundamental reforms necessary to improve the quality of aid – such as improving on the targets and indicators outlined in the Paris Declaration - nor have governments met their funding commitments.

More information is available at:

<http://www.accralf.org>

<http://www.betteraid.org>.

26. UN ECOSOC 2008b.
27. UNCTAD. 2008. *Least Developed Countries Report 2008*. UNTAD/LDC/2008, 1 July.
28. This initiative came from a recommendation in the 2006 report of the High-Level Panel on UN System-wide Coherence. Convened by the UN Secretary-General, the panel brought together 15 politically prominent representatives from both developing and developed countries. The panel's recommendations have not been endorsed by the General Assembly, however. There is some indication that the TCPR, which emerges from a more broadly consultative process, is more influential in shaping the scope of UN country operations.

UNITED NATIONS NON-GOVERNMENTAL LIAISON SERVICE (NGLS)

The United Nations Non-Governmental Liaison Service (NGLS) is an interagency programme of the United Nations that was created in 1975 to promote and develop constructive and coherent engagement of civil society across the UN system. Its core activities include: information and communication outreach to civil society about the work of the UN; supporting the UN system in developing productive relationships and partnerships with civil society; and supporting the work of civil society organisations that seek to constructively engage with the UN system.

In 2008 the work of NGLS was supported by:

- United Nations Department for Economic and Social Affairs (UN/DESA – Lead Agency)
- United Nations Conference on Trade and Development (UNCTAD – Administering Agency)
- International Fund for Agricultural Development (IFAD)
- International Labour Office (ILO)
- Joint United Nations Programme on HIV/AIDS (UNAIDS)
- United Nations Development Fund for Women (UNIFEM)
- United Nations Development Programme (UNDP)
- United Nations Environment Programme (UNEP)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- United Nations Population Fund (UNFPA)
- United Nations Human Settlements Programme (UN-HABITAT)
- Office of the United Nations High Commissioner for Refugees (UNHCR)
- United Nations Children's Fund (UNICEF)
- World Food Programme (WFP)
- World Health Organization (WHO)

NGLS also receives financial support for its activities from the Governments of Canada, Finland, France, Netherlands, Spain and Switzerland.

Further information about NGLS activities and its publications is available at: <http://www.un-ngls.org>

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United Nations
New York and Geneva 2008