



STRATEGY FOR THE DEVELOPMENT COOPERATION FORUM PHASE III: 2010-2012

Key elements for Consultation with DCF Advisory Group

11 July 2011, Geneva

This document presents key elements of the strategy for preparing the next United Nations Development Cooperation Forum (DCF) which will be held in July 2012.

Background and Key Objectives

Since its launch in 2007, the DCF has positioned itself as a universal and multi-stakeholder forum where the broad range of development cooperation actors can debate development cooperation trends and policies. It has contributed to enriching the debate on development cooperation by addressing new issues related to the quantity and quality of aid, aid allocations, policy coherence, mutual accountability between donor and programme countries as well as South-South and triangular cooperation.

The overarching goal of the DCF in phase III (2010-2012) is to promote development cooperation, improve its quality and maximize its impact to accomplish the national development priorities of developing countries and the Internationally Agreed development Goals, including the MDGs. It will aim to develop common understanding on how development cooperation can make a tangible contribution to promoting sustainable development, reducing inequality between and within countries and improving the lives of people.

The litmus test of the DCF will be its actual impact in changing development cooperation behaviours of key actors. This will hinge upon its ability to (i) focus on issues with significant impact at country level and to (ii) identify actionable solutions that are broadly owned by all stakeholders. Also critical will be deepening its role as a main global forum for ensuring mutual accountability between development cooperation providers and recipients on commitments made.

The longer-term role of the DCF will depend to a large degree on decisions of Member States about the future global aid architecture – an issue which the DCF itself will also discuss.

Substantive Focus of preparations for the 2012 DCF

Based on its broad mandate and priorities of Member States and other stakeholders, the DCF will place special emphasis on:

1. **Global trends in development cooperation:** The DCF will continue to review the quantity and quality of development cooperation. It will analyze two insufficiently covered types of cooperation, namely development cooperation provided by foundations as well as decentralized cooperation between sub-national government agencies.
2. **Innovative dimensions of aid quality:** The DCF will offer a platform for governments and other stakeholders to identify and debate issues related to the quality of aid which require greater attention. In this regard, DCF meetings have thus far pointed to policy conditionalities, concessionality, aid flexibility (to respond to shocks and changing priorities) and predictability.
3. **Aid allocation principles and practices:** The DCF will analyze allocation to countries in special situations, notably LDCs, as well as sectoral allocation to promote sustainable development and poverty eradication. Special emphasis will be placed on promoting transparent, needs-based and coordinated allocation practices to respond to aid fragmentation and the concern about 'aid orphans'.
4. **Coherence of Development Cooperation:** Policy coherence for development will remain an overarching concern. In light of the growing amounts of aid targeted at mobilizing other sources of development finance, the DCF will allow to identify good practice standards on how development cooperation can best catalyze other development financing. This would include aid aimed at: strengthening mobilization of do-

mestic revenues, promoting pro-poor financial systems, and mobilizing poverty-effective foreign direct investment.

5. **Mutual accountability between providers and recipients of development cooperation and aid transparency:** The consultations and analysis conducted under the DCF are forming the basis for work by many stakeholders to enhance mutual accountability and aid transparency at international, regional, national and sectoral levels. The focus in the lead up to the 2012 DCF will be on identifying obstacles and best practices for improving mutual accountability. The DCF secretariat will also work with UNDP to support governments in applying approaches and standards emanating from this work. An expert group meeting will be organized on the role of global mutual accountability and how to enhance its impact at national-level. Continuing attention will be given to monitoring progress in enhancing mutual accountability – in cooperation with UNDP and OECD/DAC.
6. **South-South and triangular cooperation:** Following up on the Nairobi High-level United Nations Conference on South-South Cooperation, the forum will foster an exchange of experience and peer learning to better understand the specificities and comparative advantage of South-South and triangular cooperation as well as identify good practices to maximize the development results of South-South Cooperation. The focus will be on South-South cooperation for infrastructure development and possibly agriculture/food security, as well as on triangular cooperation.

Responding to a mandate from the United Nations Doha Follow-up International Conference on Financing for Development in 2008, the DCF preparations will **include identifying ways to build more systematic and universal ways to assess the quantity, quality and allocation of aid flows.**

To some degree, the work programme is tailored to contribute to and benefit from **major United Nations and other events.** In May 2011, the first DCF High-level Symposium in Mali conveyed key messages to the Istanbul Fourth United Nations Conference on LDCs on improving aid to LDCs and enhancing two-way mutual accountability on related commitments between LDCs and their donors. The second DCF high-level symposium in Luxem-

bourg (18 and 19 October 2011) will identify how aid can catalyze the kind development finance that is most conducive to poverty eradication and equitable development. The third DCF symposium (early 2012) will place a focus on development cooperation and sustainable development, ahead of the Rio+20 conference on sustainable development. The DCF's work on aid quality, mutual accountability and aid transparency may also enrich preparations for the Fourth High-level Forum on Aid Effectiveness.

Key findings from the analytical work (a maximum of 10 studies), the three high-level symposiums and any other event (possibly one or two Expert Group Meetings) will feed into the Secretary-General's Report to the 2012 DCF and the second International Development Cooperation Report (IDCR), which will be published immediately following the 2012 DCF (see Annexes I and II).

In preparation of the 2012 DCF, the UN Department for Economic and Social Affairs (DESA) will expand its consultations with Member States, non-executive stakeholders (including through a consultative group), other actors in development cooperation, including local governments, global funds and foundations, as well as United Nations system agencies and other international organizations, including OECD/DAC.

DESA will use a mix of tools to improve the visibility of the DCF as a platform for peer learning and for shaping global policy recommendations (press releases, event summaries/reports, e-books, newsletters, enhanced use of the DCF website; and media-targeted sessions during DCF events).

Efficient delivery of this programme of work will be dependent on early mobilization of resources.

Members of the DCF Advisory Group have a critical role to raise awareness about the DCF. They are also invited to undertake specific actions to support the DCF (e.g. analysis or presentations; joint work; hosting symposia, or other support etc.).

ANNEX I WORKPLAN

Activities	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12
Symposia/meetings	24-25 January - Meeting on MA in East/South Africa	<p>6-7 April: Meeting on MA in West/Francophone Africa</p> <p>5-6 May HLS1 in Mali “Gearing development cooperation towards the MDGs: effectiveness and results” (focus on development results and effectiveness, MA; LDCs)</p> <p>12 May: LDC IV Side event on aid accountability framework</p> <p>4 July: ECOSOC High-level Segment - Special policy dialogue on mobilizing resources and partnerships for EFA</p>		<p>18-19 October: HLS2 in Luxembourg “Working together to reduce aid dependency Back-to-back expert group meeting on global and regional MA initiatives</p> <p>28 November – 1 December- Busan HLF-4 side-event</p> <p>Oct/Nov: GA High-level Committee On South-South cooperation: Side event</p>	<p>February : HLS3 (focus: development cooperation and sustainable development, specifically green economy)</p> <p>Back-to-back expert group meeting on decentralized development cooperation (or at UCLG meeting)</p> <p>February: Session on development cooperation at Global Philanthropy Event</p>	<p>April: UNCTAD XIII Side event (SS cooperation or Luxembourg HLS outcome)</p> <p>June: Rio + 20 Side event on development cooperation for sustainable development/ green economy</p> <p>July: 2012 DCF</p>
Quantity/Quality and Allocation	Background paper on trends in international financial cooperation for LDCs	<p>Background paper on trends in global foundations (Northern and Southern)</p> <p>Global Aid Architecture Briefing Note</p>	Possible study on decentralized cooperation and Development (in collaboration with UCLG and UNDP)	One or two studies on Development Cooperation and Sustainable Development in preparation of Rio+20 and HL Symposium III	<p>Overall trends study for SG Report</p> <p>Preparation of SG Report</p>	<p>SG report to DCF by end April</p> <p>Second International Development Cooperation Report (IDCR) to be launched at DCF</p>
South-South Cooperation	Launch sector paper infrastructure (best practice)	Launch sector paper agriculture and food security (best practice)				
Mutual Accountability (MA)	2 nd National Mutual accountability survey	Compile survey results in analytical report (together with UNDP)	Combine MA report into joint study w/UNDP Paper on global aid architecture Update brief on global MA		Implement streamlined 3 rd national MA survey in countries with progress and compile results for IDCR	
Coherence of Development Cooperation		<p>Launch catalytic role studies:</p> <ul style="list-style-type: none"> • Tax revenue • Private foreign flows • Pro-poor financial systems 	Launch study on “beyond aid” best practices for comprehensive and coherent MDG8 policies by developing countries			

ANNEX 2 LOGICAL FRAMEWORK

Overall DCF Goal: to promote development cooperation, improve its quality and maximize its impact in accomplishing the national development priorities of developing countries and the IADGs, including the MDGs (notably improving peoples' lives and rights, promoting sustainable development, and reducing inequality between and within countries).

<u>Purpose/Medium-Term Result</u>	<u>Indicator</u>	<u>Activities/Outputs</u>
Increase the monitoring and analysis of trends and quality in DC	Enhance global monitoring of quantity and quality of DC by private foundations	Study on DC from private foundations, discussions at ECOSOC global philanthropy event and at HLS
	Enhance global monitoring of quantity and quality of DC by decentralised institutions	Study on DC via decentralised institutions, discussion at expert group meeting and/or HLS3
Improve quality and results of development cooperation	Increased global analysis/discussion of results and quality issues from multi-stakeholder perspectives	Discussions on results and quality issues at HLS I and II, SG report to DCF 2010, and IDCR
	LDC allocation/quality accountability framework monitored in IDCR	Study/discussion on key LDC quality issues (at HLS1 and in Istanbul side-event)
Improve inter-country and sectoral aid allocation	Accountability framework for allocating DC to countries in special situations, notably LDCs and "orphans", and increasing its quality	Study on accountability framework for DC for countries in special situations, discussion at HLS1 and Istanbul LDC IV side-event
	Accountability framework for DC for sustainable development, incl. green economy/food security	Studies on DC for sustainable development, incl. green economy and food security, discussion at HLS3/Rio+20
Increase coherence between development cooperation and other pro-IADG development finance	Best practice standards on development cooperation and revenue mobilisation	Study/discussion in HLS2 on development cooperation and revenue mobilisation
	Best practice standards on development cooperation and private foreign flows	Study/discussion in HLS2 on development cooperation and private foreign flows
	Best practice standards on development cooperation for inclusive financial sectors	Study/discussion in HLS2 on development cooperation and inclusive financial sectors
Increase accountability, transparency and predictability of development cooperation and its results	Refined best practice standards on national MA and transparency and analysis of their implementation	1 survey and 1 update of national MA/transparency progress, 2 regional workshops with UNDP, best practice report to HLS2/Busan
	Best practice standards for global and regional accountability and analysis of their implementation	Study/expert group meeting in HLS2 on standards for global and regional MA
Increase the impact of South-South development cooperation	Analysing best practice in maximizing results of SSC for infrastructure	Study/discussion in HLS3 and UNGA SSC side-event, of SSC and infrastructure
	Analysing best practice in maximizing results of SSC for agriculture/food security	Study/discussion in HLS3 and UNGA SSC side-event, of SSC and agriculture/food security