

PARTNERSHIP FOR POVERTY REDUCTION: FROM COMMITMENT TO IMPLEMENTATION

Statement by the DAC High Level Meeting, Paris, 11-12 May 2000

At the beginning of the century we reaffirm our commitment toward achieving the international development goals and endorse the following key orientations and actions for the implementation of development co-operation policies.

1. Four years ago we set out a vision of a global development partnership. In our report *Shaping the 21st Century: The Contribution of Development Co-operation*, we focused attention on the following goals from the commitments reached by the international community at the major UN Conferences of the 1990s:

- Reduce by at least one-half the proportion of people living in extreme poverty in developing countries by 2015. (Copenhagen)
- Universal primary education in all countries by 2015. (Jomtien, Beijing, Copenhagen)
- Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005. (Cairo, Beijing, Copenhagen)
- Reduction of infant and child mortality rates by two-thirds by 2015. (Cairo)
- Reduction of maternal mortality by three-fourths by 2015. (Cairo, Beijing)
- Access through the primary health-care system to reproductive health services for all individuals of appropriate ages, including safe and reliable family planning methods, by 2015. (Cairo)
- National strategies for sustainable development in operation in all countries by 2005, so as to ensure, by 2015, a reversal of current trends in the loss of environmental resources and the accumulation of hazardous substances. (Rio)
- Continue addressing qualitative aspects of development that are essential to the attainment of the aforementioned goals; these include capacity development for effective, democratic and accountable governance, the protection of human rights and respect for the rule of law. (Copenhagen, Vienna)

2. In the past four years, in partnership with developing countries and multilateral organisations, we have made major strides towards the common ground of a more effective model of development co-operation, including an agreed set of indicators to monitor progress towards achieving the international development goals. Our meeting has provided an opportunity for us, with the United Nations, the World Bank and the International Monetary Fund, to reconfirm shared commitments to this broad partnership. We look forward to enhanced collaboration in country-level frameworks.

Poverty Reduction

Development co-operation now relies on a broad, multidimensional understanding of poverty.

3. Eradicating poverty is a shared objective of the international community. We are establishing a broad and multi-dimensional perspective on poverty reduction. This includes the policies needed to generate pro-poor economic growth, producing broadly based rises in incomes through private sector-led, activity investment in basic social services (education, health and water) is also fundamental in this perspective. At the same time, this approach extends to addressing, with governments and civil society, issues of equity and the risks and vulnerability the poor face, as well as to supporting their empowerment to change the unacceptable conditions of their lives, through the active exercise of their rights and their capabilities.

4. Development co-operation is ultimately about our joint interest in peace and sustainable development, and our commitment to the respect for the equal rights of all human beings. These universally accepted norms are manifested in the UN Charter, in the UN Declaration on Human Rights and in the Conventions based on the Declaration.

5. Gender equality and the empowerment of women to fully share in all aspects of economic, social and political life has to be an integral part of this comprehensive effort to fight poverty. The promotion of environmental sustainability is equally important. This calls for a systematic integration of these dimensions into all areas of development.

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6. We have mandated the DAC to develop guidelines on poverty reduction, laying out the essential building blocks of coherent and more effective policies and action.

Ownership and Partnership

Partnership with developing countries which have ownership in the process is the foundation of our co-operation.

7. The main responsibility for combating poverty lies with the government and the people of each developing country. The role of development co-operation is to support national policies based on self-reliance and responsibility by the partner countries. Ownership and partnership -- involving in particular national and local government, but also civil society and the private sector in both donor and partner countries -- based on a shared view of countries' needs, capacities and objectives are the foundation of our co-operation with partner countries. This requires the building and strengthening of the developing country's own capacity to diagnose and act on its anti-poverty agenda and other development issues.

8. An agenda for strengthening ownership and partnership has already emerged in recent years: common frameworks for programme implementation; partner-led co-ordination; transparency, simplification and, wherever feasible, sustained progress towards harmonising donor procedures, in particular those concerning auditing and procurement of goods and services; continuing efforts toward untying; discouraging the proliferation of isolated projects; enhanced use of local capacities; joint monitoring and evaluation; improved coherence; and innovative ways of financing.

9. While we underline the importance of transparency and accountability in the use of aid, including for our own constituencies, we must pursue concerted efforts to reduce multiple procedural requirements which impose a serious burden on limited partner country capacity. Such requirements translate into separate procedures for each donor, for example on reporting, procurement and project supervision. And where projects establish stand-alone management structures, they often hire away the best talent from government and civil society, at the expense of strengthening existing government and other institutions. We must end such practices and work together to support national programmes, involving government and civil society.

10. We welcome the convergence within the international community around comprehensive country-level development frameworks, integrating national anti-poverty strategies (as captured in country-owned Poverty Reduction Strategy Papers). There are promising experiences in implementing partnership principles on the ground in a number of partner countries. Now, this effort has to spread and become the guide for development co-operation. Country ownership takes time to fully develop and requires mutual trust between the developing country's government, its people and its external partners. Some key challenges remain, however, to be addressed, both by recipients and donors. We call upon the DAC to consider the guidance needed to implement the partnership agenda.

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11. Pursuing a partnership approach to development will tend to focus bilateral co-operation on those countries that have demonstrated willingness and ability in taking ownership of their own development process. This is important to increase aid effectiveness, and builds on the results of intensive research on how to maximise returns from aid in terms of poverty reduction.

12. At the same time, we are deeply concerned by the situation in those countries where such willingness and/or ability does not yet exist. Where willingness exists, we will support governments to strengthen institutional capacity and ability in order to improve their governance and policies. All too often, national capacities in these countries are further diminished by recent or ongoing conflict and ravaged infrastructures, compounding the challenges of poverty and human misery, in many instances against the backdrop of overpopulation. Furthermore, some of these countries pose continuing risks of embroiling neighbouring countries in violent conflict as well. In addition to humanitarian assistance, we can best help these countries by encouraging them to pursue policies that will prevent future conflict as well as otherwise address issues of sustainable poverty reduction and by helping them build human and institutional capacities.

Globalisation and Policy Coherence

Greater policy coherence is essential so that developing countries can take advantage of the globalisation process to reduce poverty.

13. Global co-operation, exchange and integration are in the interest of all. Globalisation is bringing new opportunities to the partnership with developing countries, especially in areas such as trade and investment, finance, knowledge and technology. The challenge is to ensure that globalisation will benefit poor people.

14. In many parts of the world major economic and social progress has been made. In other parts of the world successful development is still all too rare or fragile, and depends on meeting complex challenges of governance, conflict resolution, demography and disease. A concerted effort in partnership is urgently required for preventing HIV/AIDS becoming an even greater obstacle to development.

15. Developing the social and economic capabilities needed to participate in an increasingly competitive global economy is also a major frontier for many developing countries. For developing countries to take advantage of the globalisation process and to minimise the risks, the international community will have to take some key actions in areas such as security, transparent and stable financial systems, trade access, agricultural policies and the environment. In these areas, regional and broader South-South co-operation is also important. We will encourage and support progress and programmes at these levels.

16. In the area of trade, we welcome the wide recognition among developing countries that liberalising trade and investment, as an essential part of a comprehensive development strategy, is instrumental to sustained poverty-reducing development and that they have a major responsibility for their own policies in this regard. We clearly recognise that the efforts of the OECD countries to promote policy coherence are essential as well. This involves, for example, our policies relevant to providing enhanced access to our markets, improved rules under the WTO system, appropriate responses to environmental and social concerns, and effective participation of developing countries in international negotiations and system building. It also calls for the development of competitive capacities of partner countries in international trade. We must contribute to enhancing the capacities of developing countries to benefit from the globalisation processes and to participate in the development of the international framework, as provided under the WTO system.

17. We are committed to promoting greater coherence of overall OECD Member policies in pursuit of the international development goals. We have mandated the DAC to develop a Checklist on Policy Coherence that can be a reference point throughout our public policy systems. In this connection, we encourage the OECD in its commitment to systematically integrate development

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issues throughout all its work.

Governance

Human rights, democracy and good governance form the foundation for poverty reduction.

18. The success of the fight against poverty depends on the will and capacity of individual countries to pursue policies that promote equitable growth and social development. Recent analyses of impediments to poverty reduction -- including that by Nobel Prize winner Amartya Sen -- have shown that, for the incomes and the general well-being of the poor, women and men, to rise, human rights and freedom are essential prerequisites for them to take part in the development process. Democracy, participatory development and good governance are thus central to poverty eradication.

19. Good governance requires a broad approach to partnership extending beyond government and parliaments to include civil society and the private sector. Together with partner countries, we will intensify our efforts to effectively involve local Civil Society Organisations, as well as other key development stakeholders -- including professional associations -- in the early stages of program and project planning.

20. However, with responsibility and partnership, go accountability, transparency and predictability. Recent financial crises have brought home the importance of improvements in corporate governance, domestic and international, to a stable financial framework. The OECD Convention on Combating Bribery in International Business Transactions has been an important milestone in international corporate governance.

Financing Development

The role of official development finance, both in qualitative and quantitative terms, is crucial in complementing domestic and private resources for development.

21. Looking at the future of development financing, it is important that developing countries progressively rely on their own domestic resource mobilisation, complemented increasingly by sustained long-term private capital flows. A role of aid is to contribute to this process and to support efforts to diminish aid dependence, particularly in those countries, regions and sectors where access to private capital flows is still elusive or limited.

22. In the field of global public goods, aid will have to play an active role in financing crucial inputs to development that private investors or individual countries are themselves unable to produce. These include, for example, appropriate health and medical research, environmental programmes which can only be produced by collective action, regional and global peace and security, as well as respect for human rights.

23. Aid has a crucial role in achieving the international development goals by supporting the efforts the developing countries are undertaking themselves to make development progress, especially in the area of poverty reduction. In committing ourselves to this course for the future, we will continue improving the quality of our aid flows. We further recognise that an increased volume of aid, linked to its effective use, is an essential contribution towards achieving the international development goals. We will increase our efforts to make additional funds available. In doing so, most Members are guided by the 0.7 per cent ODA/GNP target.