

## Preface

An aid professional from 20 years ago would hardly recognise the scene today. Adopted at the turn of the century, the Millennium Development Goals (MDGs) have raised resources and renewed hope for development and poverty reduction. They have also provided an impetus for a more effective and performance-oriented aid-management culture. Simultaneously, new private actors with deep pockets and astonishing creativity have emerged sharing the same humanitarian and development objectives as traditional official donors. New official donors have also entered the scene with their own priorities and approaches. To complement traditional grants and loans, both old and new actors are turning increasingly to innovative mechanisms to raise and deliver their funds.

Policy makers in OECD and developing countries have understood that the international development finance system will need to adapt to new challenges. As part of this realisation, the OECD has chosen development finance as the first theme of its *Global Forum on Development* ([www.oecd.org/development/globalforum](http://www.oecd.org/development/globalforum)). OECD and developing-country governments, international organisations foundations, NGOs, think tanks, private companies and “emerging donors” are all participating in a series of Forum-linked events over three years (2006-09). The OECD is inviting participants in the events to explore options and, ultimately, to generate momentum for a more effective development finance system.

This volume is the first designed to underpin Global Forum discussions. Its policy-oriented papers present views and recommendations on the introduction of innovative financing mechanisms, on the use of both grants and loans in development finance, and on the challenges of managing diverse financial flows at the country level.

*Financing Development 2008* will examine questions of ownership, leadership and capacity in development finance, themes which coincide with the second year’s discussions in the Global Forum. It will explore how developing countries can play a stronger role in shaping development finance, at both global and developing country levels, and how development policy makers can help build their capacity to do so. A third volume will focus on the effective use of instruments.

Taken together, the annual publications on *Financing Development* will provide a comprehensive set of recommendations for policy makers throughout the world to help them to cope with the challenges and opportunities presented by a changing international landscape. This first volume describes the nature of that landscape and, thus, is already a major contribution to the essential discussions within the international community that lie ahead.

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