



EMERGING DONORS IN THE GLOBAL DEVELOPMENT COMMUNITY

International Conference hosted by the Russian G8 Presidency

Moscow ■ 6 - 7 April 2006

**PRESIDENT HOTEL
MOSCOW**

RUSSIAN FEDERATION



Ministry of Finance



Ministry of Foreign Affairs

in collaboration with



WORLD BANK



EMERGING DONORS IN THE GLOBAL DEVELOPMENT COMMUNITY

Introduction

The aim of this conference, convened under the auspices of Russia's G8 Presidency, is to recognize the important and growing contribution to global development by non-traditional and (re)emerging donor countries. Impressive success in achieving domestic development goals has allowed a growing number of developing and transition economies to look into disseminating their development experience beyond their national borders and to share their knowledge with other developing partner countries seeking to advance their own economic and social development objectives.

It is clear that what unites emerging and traditional donors is a shared commitment to the Millennium Development Goals and sustainable global development. At the same time, diversity in donorship is natural and should be embraced. Just as there is no single right way to achieve successful progress in domestic development, there is no single right way to provide development assistance. The development cooperation efforts of emerging donors hold significant promise by offering new and innovative ideas and approaches to the achievement of development goals in partner countries.

With the increasing diversity of donors participating in development cooperation, this conference also aims at promoting understanding of various approaches to development, with a view of enhancing the effectiveness and complementarity of the efforts of all donors, traditional and emerging.

Sharing of ideas, experiences and knowledge is a fundamental premise and principle of development cooperation. In fact, this idea is firmly embedded in the eighth Millennium Development Goal, which calls for a global partnership for Development. The Russia G8 Presidency is committed to strengthening the efforts of the growing global donor community to provide effective support for the achievement of the Millennium Development Goals.

Alexey Kudrin
Minister of Finance
of the Russian Federation



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DRAFT AGENDA

Thursday, 6 April

Afternoon Sessions

16:00 – 17:00 OPENING OF THE CONFERENCE – WELCOME BY THE G8 PRESIDENCY

Chair: *Alexey Kudrin, Minister of Finance, Russian Federation*

Passing on the G8 torch

Sharon White, Director for Policy Division in the Department for International Development for International Development, United Kingdom

A lasting G8 commitment towards development

Grosse Wiesmann, Deputy Director-General, Federal Ministry for Economic Cooperation and Development, Germany

17:00 – 18:30 DEVELOPMENT CO-OPERATION – THE CONTEXT OF A GLOBAL CHALLENGE

Chair: *Kiyotaka Akasaka, Deputy Secretary General, OECD*

The development co-operation challenge - emerging donor perspective

Luis Pereira da Silva, Secretary for International Affairs, Ministry of Finance, Brazil

The ODA outlook and the architecture of international Development Co-operation

Richard Manning, Chair, OECD Development Assistance Committee

Emerging donors – a key role in future development co-operation

Shoji Nishimoto, UNDP Assistant Administrator

Shared global efforts for a common global challenge

Margaret Thalwitz, Director, Global Partnership Programs, World Bank

Innovative financing mechanisms

Gilles Mentré, Counsellor, French Embassy in Moscow





DEVELOPMENT CO-OPERATION – THE CONTEXT OF A GLOBAL CHALLENGE Annotations

Objective of the session:

- To share a broader vision for global development and discuss the role of new and re-emerging donors, in relation to all development partners.
- To sketch out main trends of the ‘architecture’ of the development aid system as grown over the past decades, and issues of co-ordination that would require special efforts of the development community
- To offer initial reflections on possibilities for evolution of the broadening group of donors in the development community.

Over more than a half century, development assistance has supported sustainable development processes in partner countries. In trying to tackle this multi-dimensional challenge, an increasingly complex global system, or architecture, of development co-operation has evolved during this time.

Emerging, or re-emerging donors constitute a new force in the global development effort. Their perspectives on development co-operation are particularly promising in two aspects: the policies that underlay their very recent development success; and the lessons from their experience as recipients of development assistance. On this basis, the importance of emerging donors is not confined to the additional resources they provide, but extends importantly to most recent lessons of development experience and knowledge.

Emerging donors are further contributing to a growing perception that the current ‘system’ may not reflect properly the today’s world development needs, and the necessity to address the challenges of the future. The new donors bring to the table the richness and diversity of development experience that may be a source of new energy and innovation in development aid. However, an increasing number of donors with diverse experience and new perspectives present also an increased challenge to coordination. In this context, it will be critical to identify an effective balance between coordinated multilateral and bilateral assistance.

If recipient partner countries are to reap the full potential of the new dimension of development co-operation offered by emerging donors, it will be important to avoid past mistakes of traditional donors, duplication or dichotomy of co-operation efforts. Incoherent and uncoordinated policies have had major adverse effects and reversed a share of the development gains donors have promoted. This understanding is reflected not least in the 8th Millennium Development Goal, which calls for a true global partnership for development.

Comments may be guided by questions such as:

- How can traditional and emerging donors understand each other better so as to benefit from respective experience and to avoid that past mistakes will be repeated? What are the areas of donor assistance for which multilateral coordination is particularly critical? What mechanisms can create, protect, and expand coordination in these areas?
- What should the “expanded” donor community areas of concentrated efforts in response to Millennium Development Goal 8: A Global Partnership for Development? To what degree will co-operation among donors require a broader or new perspective to achieve unity in purpose and policy?
- What is the broad development co-operation outlook for the future, and what does it imply for the way donors are doing business? How can sustained ownership of all development partners be assured and fragmentation and duplication be avoided?



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Thursday, 6 April

Evening

19:00 – 22:00 Dinner hosted by the Russian Ministry of Finance

Friday, 7 April

Morning Sessions

08:30 – 10:30 **EMERGING AND TRADITIONAL DONORS – PASSING ON DEVELOPMENT EXPERIENCE**

Chair: *Sergey Storchak, Deputy Minister of Finance, Russian Federation*

- Russian Development Co-operation: Report by the Chair
- Assistance to International Development in the context of the Russian Foreign Policy
Yuri Isakov, Special Envoy and Special representative of the Minister of Foreign Affairs of Russia for preparation of the G8 Summit

Shaping donor approaches: Development experience and implementation challenges

- The Turkish example
Hakan Fidan, President, President, Turkish International Co-operation Agency, Turkey
- The Korean example
Park Suk-bum, Director General for International Economic Affairs, Ministry of Foreign Affairs and Trade, Republic of Korea

Perspectives on aid delivery: Tailoring donorship to development goals

- Bilateral experience
Torgny Holmgren, Deputy Director General, Department for Development Policy, Ministry for Foreign Affairs, Sweden
- Multilateral experience
Donald Kaberuka, President, African Development Bank

10:30 – 11:00 Coffee break





EMERGING AND TRADITIONAL DONORS – PASSING ON DEVELOPMENT EXPERIENCE Annotations

Objective of the session:

- To understand, on the basis of shared individual examples, the basic principles and policy approaches of donors, and the parameters and factors shaping them.
- To highlight potential comparative advantage of emerging and traditional bilateral and multilateral donors.
- To consider how existing coordination mechanisms and planned development forums can be used to summarise and mainstream the development policy and development coordination lessons in order to improve the development impact of donor assistance.

As indicated in the introduction to this conference, diversity in donorship is natural and should be embraced. Not only is there no single right way to provide development assistance, but experience from a variety of approaches and perspectives generates important insights and lessons for the effectiveness of development co-operation.

The recent experience in economic development offers rich and diverse examples of success and failure in a variety of contexts. Recipes for success vary from country to country, and it appears that no single recipe can work in any given country at any given moment of time. The enlargement of the donor community promises to expand significantly the knowledge base for donor assistance.

This session aims to offer insights on some of the system and science of development co-operation. A single conference can only be a start to a process - but this is in itself of key importance: The stimulus given through initial insights on the respective challenges, comparative advantages as well as accumulated knowledge and experience is hoped to be the basis from which dialogue, exchange and co-operation can be developed.

Yet, how can the variety of experience be captured, how can lessons be shared? Some longstanding mechanisms exist for co-ordination exchange on policy practice, such as the OECD Development Assistance Committee, the World-Bank/IMF Development Committee, or the Arab Co-ordination Group, often complemented by local consultative groups in partner countries. In addition, ECOSOC has taken up the mandate to review and assess international development finance, and will undertake a first development co-operation forum in 2007.

Comments may be guided by questions such as:

- What are the primary lessons of policies and strategies of the recent development experience, including that in the emerging donor countries that can be brought to bear on the world development agenda and international aid?
- What are the most effective mechanisms and principles for knowledge and development experience sharing that developing partners are currently using? Is there a sufficient level of knowledge sharing of development policies and practices?
- What would the conference participants expect from the coming development aid assessments and Development Aid Cooperation Forum of the 2007? What would be the recommended role of emerging donors in this Forum?



EMERGING DONORS IN THE GLOBAL DEVELOPMENT COMMUNITY

Friday, 7 April

Morning Sessions, continued

11:00 – 13:00 AID EFFECTIVENESS - JOINING EFFORTS FOR DEVELOPMENT IMPACT

Chair: *John Underwood, Director, Operational Policy and Country Services Department, World Bank*

The Paris Declaration: A roadmap towards more effective aid

Michael Roeskau, Director, Development Co-operation Directorate, OECD

Country Ownership and Capacity Development

- Tajikistan's approach
Safarali Nadjmiddinov, Minister of Finance, Tajikistan
- Morocco's approach
Mohamed El Merghadi, Chef de Cabinet, Ministry of Finance and Privatisation, Morocco
- Kyrgyzstan's approach
Akylbek Japarov, Minister of Economy and Finance, Kyrgyzstan

From principle to practice: towards better donor co-ordination in support of the MDGs

Athanasios Theodorakis, Deputy Director General for Development, European Commission

13:00 – 14:00 CONCLUSION OF THE CONFERENCE

Co-chairs: *Igor Shuvalov, G8 Sherpa, Russian Federation*

George Carner, Vice-Chair, OECD Development Assistance Committee

John Underwood, Director, Operational Policy and Country Services Department, World Bank

- The Russian G8 Presidency and Development Co-operation
- Oral Summary of the Conference by the Co-Chairs
- Draft Chairs' Statement
- Comments from the Floor





AID EFFECTIVENESS - JOINING EFFORTS FOR DEVELOPMENT IMPACT Annotations

Objective of the session:

- To highlight main issues and challenges that international development community is facing in promoting greater aid effectiveness.
- To gain perspective from partner countries on current principles of working with donors to ensure sustainable development impact.
- To offer reflections on measures taken by the international donor community in order to support the aid effectiveness objectives as reflected in the Paris declaration.

Aid needs to be effective in order to achieve maximum progress towards the Millennium Development Goals. One crucial aspect, beyond actual aid volumes, or the knowledge and capacity provided, is the way assistance is delivered. This has shown to have major implications for its possible effectiveness. The Paris Declaration of 2 March 2005 sets out a joint vision of partner countries and donors to increase the effectiveness of aid and its development impact on the basis of partner country leadership. It is organized around five key principles: ownership, alignment, harmonisation, managing for results, and mutual accountability.

Ownership – Developing countries need to exercise effective leadership over their development policies, strategies and co-ordinate development efforts. Donors should support and enable this by respecting developing countries' policies and helping strengthen their capacity to implement them.

Alignment – The overall support of donors should be based on partner countries' national development strategies, institutions and procedures. For example, donors should draw conditions, wherever possible, from a developing country government's development strategy.

Harmonisation – Increasing donor harmonisation, will be a key facilitator for effective ownership and alignment. Donors will be collectively more effective by establishing common arrangements at country level, simplifying procedures, sharing of information, or funding and implementing development programmes.

Managing for results – The objective is improved decision-making and management of resources by both donors and partner. This includes support to developing countries efforts in implementing performance assessment frameworks that measure progress against key elements of national development strategies.

Mutual accountability – Developing countries and donors are accountable to each other, and most importantly to partner country citizens, for development results.

Comments may be guided by questions such as:

- What have been approaches taken and challenges experienced by participants as they have started to implement the aid effectiveness agenda defined by the Paris Declaration?
- Are there any specific issues and constraints on the recipient partners' side that limit their leadership role for development policies, strategies and co-ordination of development efforts? What has been the emerging donors' recent experience in addressing these constraints?
- What specific initiatives of bilateral and multilateral donors, both emerging and traditional would be needed in order to support harmonization and managing for results objectives highlighted by the Paris declaration?



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President Hotel
24 Bolshaya Yakimanka Street, 119134 Moscow, Russia

