

PREFACE BY THE SECRETARY-GENERAL

I particularly welcome the 2002 Development Co-operation Report. It reflects a year which completed the cycle of development summits from Doha to Monterrey and Johannesburg. A broad array of agreed policies for partnerships with developing countries is now in place. And with the Millennium Development Goals, whose origins go back to the DAC's report of 1996, we have a yardstick against which to measure development progress.

After four decades of development co-operation, the scene is thus set for a fresh start. Various donor commitments to increase aid are also signs of a new momentum. The enormous challenge will be how to make the joint efforts of donors and their partners more effective for people in developing countries.

In many respects, this will mean breaking with old habits. Donors will have to join forces in the field, putting greater support behind country-led strategies, while lowering their national flags on individual projects. Hopefully, we are on the threshold of imaginative co-operative approaches to ensure greater effectiveness of aid than we have witnessed in the past.

Aid, although an important contribution to GNI in many poor countries, is but one element for development progress. OECD's history and present role testify to the necessity of good governance with strong institutional capacity to convert aid into measurable progress towards sustainable development.

Equally important is policy coherence for development on the part of donor countries. Opening markets, creating opportunities for trade in manufactured goods and for the use of advanced technologies by developing countries are much stronger determinants of economic development than aid. Indeed, annual ODA amounts are dwarfed by the aggregate agricultural subsidies in OECD countries which deprive developing countries of important export opportunities.

That is why I was pleased that OECD's Ministerial Council meeting in 2002 brought together Trade and Development Ministers to discuss incoherence between these two policy areas. And, for the first time ever, OECD Ministers adopted a special statement on development.

The statement "*OECD Action for a Shared Development Agenda*" lends strong support to OECD's programme on policy coherence for development. The "D" in OECD's name is thus underpinned by both the work of the DAC and OECD's broader work on policy coherence for development.

We must never forget the lessons of the Marshall Plan, of which the OECD is the living legacy. While financial aid was important, it was only a catalytic element in ensuring the outstanding success of the Plan. The co-operation amongst participating states, the creation of the right institutional framework and profitable economic interdependence laid the foundations for the prosperous Europe of today. So it is with ODA: important as a spark to light the growth potential of poor countries.