

**Remarks by Talaat Abdel-Malek**  
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**Policy Dialogue on Development Co-operation**  
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Thank you, Mr. Chairman, ladies and Gentlemen, Colleagues

Thank you for the invitation to join this important meeting. I also express my thanks to the organisers of the meeting and to our gracious host, the Mexican Ministry of Foreign Affairs.

Our meeting is coming at a time when development cooperation is on everyone's agenda. More than at any time in recent decades, we find ourselves in a set of triple crises: food shortage, financial meltdown, and a global recession. These are in addition to growing climate change issues and an impending water shortage in many parts of the world. And pledges have been made to achieve the MDG targets by 2015 – a goal that is likely to be only partly met.

The recent UN MDG Gap report is very instructive and it is essential reading for anyone seriously concerned about development co-operation.

Against this brief background, it is gratifying that higher priority is now being given to development co-operation issues, as indicated in statements at the current UN General Assembly, and at many other international fora.

But are we referring to more comforting statements, or is the international community really ready to take some bold actions? Much will depend, in my view,

on our ability to seek common grounds rather than defend current approaches and highlight differences. The recent announcement to establish the G-20 as the leading platform for discussing and coordinating global economic issues is a major step forward. It remains to be seen how this will work, and how the interests of developing countries not members of the G-20 will be taken into account.

ECOSOC's and OECD's efforts, among those of others, have given us much food for thought through impartial analysis. Our Dialogue meeting is a welcome opportunity to build on the work done and to share our views and ideas.

Last year's global discussions led to eight sets of recommendations. They focused on the need for:

- more policy coherence,
- meeting aid commitments and applying more balanced allocation,
- reaching consensus on the aid effectiveness agenda,
- giving priority to capacity development,
- promoting country-driven development strategies,
- seeking more inclusive involvement in development,
- recognising SSC as a complement to N-S co-operation, and
- strengthening the DCF through high quality analysis and serving as an international mutual accountability mechanism.

This is a tall order.

While we must endeavour to make as much progress as possible along these lines, we have to prioritise and focus on fewer strategic issues to deliver tangible results in the foreseeable future, and by this I mean at the next HLF in Seoul in October 2011.

I propose concentrating of the following issues, which I believe are essential not only by themselves but also in facilitating progress in dealing with other issues:

- First and foremost, we have to do everything possible to promote greater country-led and owned development and aid strategies. This calls for actions by both donors and partner countries. While the prime initiative rests with the latter, donors and international development agencies should also resist the temptation to continue to their often supply-driven co-operation assistance. Unless we make more determined efforts in this issue, there is a real threat that existing patterns and modalities, which most of us wish to see changed for the better, will persist.
- Second, higher priority must be accorded to capacity development in very concrete and measureable terms. One reason why many partner countries do not exercise ownership is their limited institutional and human resource capacities to define needs and priorities, formulate strategies, negotiate with donors and international institutions, and implement aid-funded programmes. Recent statements suggest wider recognition of the critical importance of addressing capacity bottlenecks. But I hope that in translating these well-intentioned statements into actions we will not resort to current practices where we do more training and ad hoc policy

advice, taking these to be the means of developing capacities. Effective capacity development has to be well planned, based on local needs rather than pre-prescribed solutions. It has to deal with the challenging task of how to transform a disabling environment into an enabling one, where trained personnel can use their acquired skills to improve performance. There is a growing body of knowledge that provides good guidance and a set of good practice principles in this area. The CD Alliance initiative launched nearly a year ago has the key objective of mobilising southern policy making leadership to exchange experiences and express stronger commitment and support to meaningful capacity development strategies.

- Third, much useful development practices and experiences have accumulated in the developing world over the past 50-60 years of efforts. Not exclusively, but mostly, Middle Income countries represent the main repositories of such experiences. Much south-south exchange has been taking place, in many instances unrecorded and not even labelled as SSC. It is not surprising that this type of co-operation has been attracting more attention especially at senior political levels in many countries. Nevertheless, there is a lot that we don't know about SSC, and thus there is an urgent need to document it through case studies, surveys and other forms of information gathering. The UN and OECD, among others, are doing some interesting work and I refer especially to the Task Team on SSC that is launching its work programme at present and plans to report progress at the Bogota HLF next March. It is important to underline two things here: we need to conduct even handed analysis of SSC, pinpointing good as well as

bad practices; second, triangular co-operation has often been supportive of SSC not only in funding but also in technical assistance. This is further evidence that SSC is a complement to N-S co-operation.

- Fourth, we have to rid ourselves of the counterproductive discussion that stresses differences between the Paris Declaration principles and SSC practices; the latter has been portrayed by some as less transparent and not conforming to the Paris Principles. More reasoned analysis will reveal that the two approaches have more in common than meets the eye. I strongly believe that our efforts should focus on identifying how each approach can benefit from the distinct advantages of the other, ultimately leading – hopefully – to a merging of a combined best practice replacing current approaches. For this to happen, we need to find a way of bringing into our dialogue the so-called emerging donors without requiring them to pledge adherence to the Paris Principles. We have to provide an incentive for non-DAC donors to come to the table and discuss issues as equal partners. This will give credence to our announced objective for more inclusiveness.
- Fifth, mutual accountability has to rank high in our order of priorities. The reason is simple. A mutually agreed mechanism provides a more transparent two-way street to deal with difficulties that frequently go unresolved or are cosmetically addressed. The ensuing dialogue promises to improve the *process* as well as the *outcome* of development co-

operation. I cannot over stress the importance and urgency of making headway in this issue.

- Finally, I would be remiss if I did not join those who are calling for broadening the aid effectiveness agenda to deal with development effectiveness. The time has come to put aid into its proper perspective. We still recall the plea for “more trade than aid” and similar themes. As long as our institutions are maintaining their essentially independent *modus operandi*, we cannot expect to reap the rewards of a truly joint, interdependent and coherent strategy to which they would be committed. How can this be achieved is the 64,000 dollar question! it is obvious that we need to do better than recent efforts to improve coordination among leading agencies if we are to expect better results on at the country level. Because of its highly complex and political nature, reforming the development co-operation architecture must summon the will of leading policy makers on both sides of the divide. The key issue is governance. The time has come to reconsider and reconfigure Western dominated governance of multilateral institutions to heed current realities. Isn't it time that rich countries provided developing countries with more policy space, if we are serious about more inclusiveness? An equally important question is how developing countries would agree on representation that would not compromise the interests of some. Perhaps the time has also come for an international conference first to seek agreement on the guiding principles towards more genuine global development co-operation architecture, much as was done at Bretton Woods.

Each of these priority issues is worthy of a dialogue session on its own! And each offers many promising opportunities for collaboration. I hope our discussion will help define how to proceed.

Cutting across all of the above is the urgent need to work on changing behaviour by both donors and partner countries. While several headquarter agencies (bilateral and international) have made some promising policy changes, as in the case of the EU Backbone Strategy on Development Co-operation for example, the real challenge lies in initiating and reinforcing behavioural change. More and more political leaders are now more seriously interested in improving effectiveness of development co-operation. How can this be used to get on with the necessary behavioural change in translating policies into actions – change that is essential if we are to see significant change at the country level. This is where it really matters.

Thank you for your attention.