Working Party on Financial Aspects of Development Assistance

DRAFT ANNOTATED AGENDA OF THE 132nd MEETING

To be held in Paris on 12 October 2000 starting at 9h30 and ending on 13 October 2000 at 13h00.

Untying ODA to the LLDCs: effort-sharing
Review of 1996 DAC Recommendation on Anti-Corruption proposals for Aid-Funded Procurement
Strengthening Local Procurement Capacities
Development Finance

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WORKING PARTY ON FINANCIAL ASPECTS OF DEVELOPMENT ASSISTANCE

DRAFT ANNOTATED AGENDA OF THE 132ND MEETING

DRAFT AGENDA

1. Adoption of the Agenda

2. Approval of the Summary Record of the 131st meeting

3. Untying ODA to the Least Developed Countries: Effort sharing

4. Review of the 1996 DAC Recommendation on Anti-Corruption Proposals for Aid-Funded Procurement

5. Strengthening Local Procurement Capacities
   - Oral report by the Secretariat

6. Development Finance
   a) Private sector-led growth for poverty reduction in the less advanced developing countries
      - Oral report by the Secretariat
   b) The UN Special Event on Financing for Development

7. Other business
   - Date and principle agenda items for the next meetings
Item 3. Untying ODA to the Least Developed Countries: Effort sharing

[DCD/DAC/FA(00)8]

1. At its meeting on 12 September 2000, the DAC mandated the Working Party to discuss the issue of effort-sharing with a view to arriving at agreed approaches to permit the implementation of the Recommendation.

2. The referenced note prepared to assist this discussion:
   - Identifies why the effort-sharing issue arises and the parameters within which Members should seek to find an approach.
   - Sets out, with the experience of past discussions and proposals, a number of pointers which might help guide Members in defining the broad shape and directions of approaches to address effort-sharing.
   - Presents initial indications of the dimensions of the effort-sharing problem, focusing on untying performance.

3. It is suggested that the present discussion might be in two “rounds” -- the first on the present note and, depending on that discussion, a second (the following morning) which could try to set out in a preliminary way the broad design of an approach to effort-sharing.

The Working Party is invited to:

- Consider whether Members broadly share similar views on the nature and dimensions of the effort-sharing problem, set out initial ideas about the broad design of an effort-sharing mechanism, and decide on next steps.

- Consider whether a further meeting on this issue is called for prior to the SLM on 12-13 December 2000. Such a meeting could have the objectives of advancing discussions on the main elements of the design of effort-sharing approaches and of preparing a progress report for the SLM.


4. The draft review summarises DAC Members’ experiences with the impact of the 1996 DAC Recommendation on Anti-Corruption Proposal for Aid-Funded Procurement. The review is based on responses to the questionnaire [DCD/DAC/FA(1999)7] received to date from 13 Members -- Austria; Belgium; Canada; Finland; Germany; Greece; Italy; Japan; Netherlands; New Zealand; Portugal; Sweden; Untied States. The response from Switzerland reached the secretariat shortly after this note was issued.

5. The draft recalls the provisions taken by Members pursuant to the Recommendation, their experience with its implementation and impact, and suggestions made to strengthen its impact and other possible actions by donors to fight corruption.
6. Views on actions beyond the Recommendation cover a number of areas which, taken together, could provide the basis of an “action plan” to strengthen awareness of the problem and contribute to the composition and monitoring of programmes to fight corruption.

The Working Party is invited to:

- Agree that this review, revised to take account of the discussion, be submitted to the December 2000 SLM, via the DAC “SLM preparations” meeting on 7 November 2000.
- Consider whether the report to the SLM should include proposals aimed at further strengthening donor co-operation on anti-corruption measures and, if so, what these should be.

Item 5. Strengthening Local Procurement Capacities: Next Steps

7. The note setting out proposed work on this topic [DCD/DAC/FA(00)4] was to be discussed at a WP/FA meeting scheduled for February 2000. As that meeting was cancelled, the note was circulated to Members for written comments. Those received (Canada, Japan, New Zealand, Norway, United States) fully supported this work and, in general, the approach for carrying it out. Nevertheless, Members are also offered the present opportunity to comment on that note if they so wish.

8. On the above basis and in the meantime, the secretariat has been developing a Terms of Reference for the part proposed to be undertaken by a consultant, discussing possible voluntary contributions from interested Members, and identifying possible consultants. These preparations are advancing to a point where it is foreseen that a first draft should be available for the next meeting of the Working Party.

9. The “profiles” of Members’ aid procurement systems represent relevant background to the proposed work. The completed “profiles” for 14 Members are available on the internal DAC website [see http://appli1.oecd.org/dcd/dachlm.nsf]. The Working Party might wish to invite those Members that have not submitted profiles [Austria, Belgium, EC, Finland, Greece, Ireland, Japan, Spain] to do so to complete this information base.

Item 6. Development Finance

a) Private sector-led growth for poverty reduction in the less advanced developing countries: Supporting systemic approaches to infrastructure, finance and enterprise development

10. The secretariat will make an oral report on the state of play concerning the work to prepare “good practices” on this theme. When last discussed, Members already indicated that the timetable for completing this work (December 2000 SLM) was very ambitious. In light of the present staffing situation in the secretariat, it will be necessary to reschedule this work.

b) The UN Event on Financing for Development [DCD/DAC/FA(00)7]

11. Preparations are now gathering pace for this Event, presently scheduled to be held in 2001. The OECD has been invited to, and has agreed to, contribute to these preparations. The referenced note is intended to:
- Bring Members up to date on the preparations in the UN and in the OECD;
- Recall the views so-far expressed by Members on the Event in earlier DAC discussions;
- Provide Members with an opportunity to set out any initial reactions they have, including the contribution that DAC Members might make to the broader OECD preparations;
- Contribute to the preparation of the discussion of the Event at the December 2000 SLM.

As Members see the Event as holding the promise of forging a new understanding and broader ownership of the agenda for development finance, it will be important that they are able themselves to outline and promote such a shared, forward-looking understanding.

With this in mind, Members are invited to outline the main messages and perspectives they would like to bring into the present, formative stage of the preparations for the Event.