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DEVELOPMENT CO-OPERATION DIRECTORATE
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Working Party on Financial Aspects of Development Assistance

DRAFT ANNOTATED AGENDA OF THE 131ST MEETING

to be held in Paris on 21 January 2000 starting at 9h30

Development financing for private sector-led growth in less advanced developing countries. Financial systems for sustainable resource mobilisation. Meeting infrastructure needs into the 21st Century. DAC biennial review of Working Parties.

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**WORKING PARTY ON FINANCIAL ASPECTS OF DEVELOPMENT ASSISTANCE
DRAFT ANNOTATED AGENDA OF THE 131ST MEETING**

- | | | |
|----|---|------------------------|
| 1. | Adoption of the Agenda | DCD/DAC/FA/A(2000)1 |
| 2. | Approval of the Summary Record of the 130 th meeting | DCD/DAC/FA/M(99)3/PROV |
| 3. | Development financing for private sector led growth in less advanced developing countries | DCD/DAC/FA(2000)1 |
| | a) Financial systems for sustainable resource mobilisation | DCD/DAC/FA(2000)2 |
| | <i>For reference:</i> Summary of the March 1999 workshop | DCD/DAC(99)9 |
| | b) Meeting infrastructure needs into the 21 st Century | DCD/DAC/FA(2000)3 |
| | <i>For reference:</i> Summary of the May 1998 workshop | DCD/DIR(98)14 |
| | c) Enterprise development for private sector led growth -- follow- up to workshop | |
| 4. | DAC Biennial review of Working Parties | DCD/DAC/FA(99)6/REV1 |
| 5. | Other business | |
| | •Date and principal agenda items of next meetings | |
| | •Meeting appraisal | |

ANNOTATIONS

Item 3: Development financing for private sector led growth in less advanced developing countries [DCD/DAC/FA(2000)1]

1. The main objective of the present stage of work in the Working Party on development finance issues is to prepare, for the December 2000 SLM, a set of good practices for donor support in three thematic areas so far investigated in the Working Party -- infrastructure financing, financial systems strengthening and enterprise development.

2. The note DCD/DAC/FA(2000)1 outlines a proposal and timetable to bring this work together in a “compendium”, with the following elements:

- Chapter 1 -- Strategic orientations for donor support. This chapter would set out the “philosophy” and strategic orientations for development co-operation roles in the field of development finance.
- Chapters 2, 3 and 4 would, respectively, address the three workshop themes -- financial systems for sustainable resource mobilisation; meeting infrastructure needs into the 21st century; and enterprise development for private sector led growth.
- A concluding chapter could develop more *operational* guidance, focusing on the “how to” of implementation and delivery.

With this background, Members are invited to:

- **Comment on the nature and structure of the proposed compendium and the suggested timetable for its completion;**
- **Provide concrete and practical suggestions on ways and means to ensure that the compendium (in general, and with respect to each of the thematic chapters) meets Members’ objectives, in line with their November 1999 comments on the directions and products of work in this area.**
- **Address the suggestion to create a small steering group of experts to assist the Secretariat in this work and, as appropriate, nominate experts to serve on such a steering group.**

Item 3a: Financial systems for sustainable resource mobilisation [DCD/DAC/FA(2000)2 and DCD/DAC(99)9]

3. The main part of note DCD/DAC/FA(2000)2, prepared by a consultant, Mr. S. Chatterji, with the financial assistance of the United Kingdom, sets out possible donor strategies and policies based on a financial systems “needs assessment”. The note DCD/DAC(99)9 presents a summary of the 1999 workshop, taking into account comments received from Members and participants.

In respect of note DCD/DAC/FA(2000)2, Members are invited to:

- **Comment on the assessment of financial sector needs and the implications for donor strategies and policies.**
- **Recalling the suggested directions and requirements for the products for DAC work in these areas, provide concrete suggestions to develop the “guidance” or “good practices” section that will complete the eventual chapter in the compendium**
- **Comment on whether the note provides a good basis for the chapter on this theme in the “compendium” (as set out under item 3 above) and a useful “model” for developing the other thematic chapters.**

**Item 3b: Meeting infrastructure needs into the 21st century
[DCD/DAC/FA(2000)3; DCD/DIR(98)14]**

4. Based on the workshop in May 1998 (as summarised in note DCD/DIR(98)14) and discussion at the March 1999 meeting of the Working Party, the note DCD/DAC/FA(2000)3 sets out the “skeleton” of the compendium chapter on this theme. Following an outline of what it would say about the importance of the sector and its needs, it provides preliminary indications on donor strategy vis à vis this sector and its implications for the design and delivery of policies.

In respect of note DCD/DAC/FA(2000)3, Members are invited to:

- **Comment on the overall “plan” for this chapter of the compendium.**
- **Provide, in particular, suggestions concerning the section on the design and delivery of policies to ensure the relevance and practicability of guidance to donors.**

Item 3c: Enterprise development for private sector led growth -- follow-up to the workshop

5. The meeting of the Working Party follows immediately after the workshop on this theme. The final section of the workshop should bring together initial indications of where donor support is most needed and how it can be most effectively delivered. In addition to general comments that Members may have on the workshop, it would be particularly helpful for the next stage of work on this theme (the draft chapter in the compendium) if Members would carry forward the workshop discussion on “implications for donors”. To assist this discussion, the Secretariat would endeavour to prepare “overnight” a list of the main points of the workshop relevant to a discussion of key tools for effective donor support for enterprise development.

On that basis, Members are invited to provide suggestions for developing the compendium chapter, particularly in respect of strategic orientations for donors and implications for policy design and implementation.

**Item 4: DAC Biennial Review of Working Parties
[DCD/DAC/FA(99)6/REV1]**

6. Based on the questionnaire established by the DAC [DCD/DAC(99)34], the referenced note has been revised following the November 1999 Working Party's comments on an earlier version.

Members are invited to comment on the present draft in order that the Chairman of the Working Party can prepare his report to the DAC on 29 February-1 March 2000.

Item 5: Other business

a) Dates and principal agenda items of next meetings

- 23-24 February 2000. This meeting has been provisionally scheduled. It could address means to strengthen the partnership and development benefits of an agreement (e.g. building procurement capacities in partner countries; strengthening the contribution of aid funded projects to the local enterprise sector). It should reach a conclusion on the question of notifying untied aid offers. Depending on progress with the further consultations envisaged at the December 1999 SLM, it could also discuss outstanding issues related to the untying initiative.
- 3-4 October 2000 -- Draft "compendium" on development financing; future work proposals.

b) Meeting appraisal

7. In light of the importance of, but difficulties in, getting feedback on the quality and usefulness of Working Party meetings for Members via the "meeting appraisal" checklist (either at the end of the meeting or subsequently), Members are invited to spend a few minutes at the end of the meeting to signal their views. These comments may address the items set out in the appraisal checklist or any others Members may wish to raise.