SPEAKING NOTES FOR THE SECRETARY GENERAL

Second Annual Plenary of the OECD Global Forum on Development

Paris, 20 May 2008

Ladies and Gentlemen, I am delighted to welcome you to the Second Annual Plenary of the OECD Global Forum on Development. This Plenary brings to an end another busy year of Forum activities, all of which have focused on the theme of "Strengthening Country Ownership" in development finance.

It has been an enlightening year for us; when we began it in September with a workshop on "Ownership *in Practice*", many of us realised that we did not even have a clear idea of what ownership meant *in theory*. Sure: the principle of ownership constitutes a major pillar of important agreements such as the Monterrey Consensus and the Paris Declaration on Aid Effectiveness. And many of us have a personal opinion on how important country ownership is in making policies and development finance more effective. But I think it is fair to say that, of all the principles of the Paris Declaration, ownership is the least well-defined and perhaps the most complex to put into practice.

As we all know, the Accra High Level Forum on Aid Effectiveness is just around the corner, to be held on 2-4 September. At the HLF, governments will review progress in implementing the Paris Declaration and sign the Accra Agenda for Action, which I personally hope will send a powerful signal about their desire to continue improving the effectiveness of aid. The first drafts of this document already capture many of the messages we will be discussing today: they call for a broader participation and a more prudent use of conditionality in order to improve ownership. Today, let us discuss whether these drafts are ambitious enough. Can we push ourselves even further in implementing our aid effectiveness commitments?

The Accra Summit will also devote one of its nine Roundtables to the subject of ownership. This Roundtable will be co-chaired by the governments of Colombia and Switzerland. I would therefore like to welcome especially the representatives of both countries that are here today, Ms Edita Vokral (Head, Department of Bilateral Development Cooperation, Swiss Agency for Development Cooperation) and Mr Enrique Maruri (Director of International Cooperation, Ministry of Foreign Affairs, Colombia). Both are playing an essential role in helping the

international community move ahead on this complex subject of ownership, and both will help us wrap up the day's discussions in the afternoon.

The foundations for today's discussion have been laid during the past year. This year's Global Forum events have helped us organise the ownership principle and turn it into a topic for discussion at the high level of expertise we see gathered around the table today.

Discussions at the first preparatory Workshop in September were led by presentations and case studies by over 30 experts from developing countries, from within government and outside. They reminded us that true ownership is about more than just developing countries subscribing to policies designed for them by donors. Rather, developing countries need greater policy space to develop, explore and choose among a range of alternative policy frameworks.

This means that policy makers in both donor and recipient countries need to attack some of the barriers to local knowledge production: overly prescriptive policy conditions in aid contracts, a scarcity of local expertise and policy analysis, and, in many countries, a governance system that does not allow for discussion about alternative policies in a vibrant domestic policy debate. I am happy to say that many of these messages have been captured in the Development Centre's new book on "Financing Development 2008: Whose Ownership?", which we are launching here today. Some of the messages were also at the forefront of discussions at a recent Global Forum seminar on how to best support developing-country think tanks working on fiscal policy.

In December, we organised our second preparatory Workshop on the "Challenges of Scaling up at Country Level" about making aid more predictable and about the possibility of reducing fragmented aid delivery through a division of labour among donors. Again, sessions were kicked off by detailed presentations from colleagues with first-hand experience in the administrations of developing countries. Discussions showed that our colleagues are often prevented from taking ownership of their budgets: they do not have sufficient information from donors to produce sound medium-term forecasts. Most Ministers of Finance still have little information about the external resources they can expect to receive for the next financial year, let alone for the following two to three years. A further problem is the continuing fragmented delivery of aid: recipient countries are burdened with an unmanageable number of donors. While they may enjoy such a high degree of external support, they would often prefer a more coordinated approach with fewer donors per country per sector.

Today, we would like to share and discuss with you the messages emerging from this dialogue process. We have a session devoted to the question of aid predictability, in which we hope to

solicit your views on how donors might support ownership by improving forward information for their partners. Following this, we will have two parallel sessions: in the first, we will look at the capacities developing countries need to improve ownership of their budgets; in the second, we will examine the issue of policy space and conditionality.

In the afternoon session, we will be examining how our interpretation of ownership might be broadened to include actors beyond the executive. Parliaments, NGOs, the media, think tanks and the business sector have crucial roles to play if development frameworks are to be truly "country-owned". This raises important questions about local governance frameworks and participatory approaches to development finance. It also raises a question about the nature of donor support: where lies the balance between providing governments through general budget support and ensuring that civil society is not left out of the equation? The Advisory Group on Civil Society and Aid Effectiveness, several of whose members are present today, will surely help address these questions.

I am delighted to see that our sessions are all being introduced by distinguished speakers and excellent moderators. I would like to warmly welcome and thank all of them for joining us here today.

In closing, a short reminder that the dialogue on effective development finance will not end in Accra. In November, the international community will assemble in Doha, Qatar, to look at progress in implementing the Monterrey Consensus. OECD donor agencies, as we all know, are not alone. They need to dialogue with other partners and discuss the importance of other sources development finance, including trade revenues, investments and domestic resources. I would like to thank Professor Jomo Kwame Sundaram (Assistant Secretary-General for Economic Development, UN Department of Economic and Social Affairs) for joining us today in order to help draw the link between our discussions today and those taking place in the UN context. This link will remain vital for the Global Forum on Development as it moves into its third year, which will focus on the most effective instruments of development finance.

Before I pass the floor to our coorganisers, Richard Carey, the Director of the OECD Development Cooperation Directorate, and Javier Santiso, Director of the OECD Development Centre, I would like to make a request: when you intervene today, please feel free to "take your hats off". We received a clear message last year: a complex and controversial subject requires fewer formal presentations; and more open and informal dialogue. As you may have noticed from the name plates in front of you, we hope you will speak in your personal capacities, not as

representatives of your countries or institutions. So: it is all of you who have *ownership* of today's discussions.