



ARAB-DAC DIALOGUE ON DEVELOPMENT

20 January 2014 in Kuwait

CO-CHAIRS' SUMMARY

Members of the Arab Coordination Group Institutions (ACGI) and the OECD Development Assistance Committee (DAC) met in Kuwait on 20 January 2014. The event, hosted by the Arab Fund for Economic and Social Development, was also attended by key multilateral institutions and international experts. The dialogue was Co-Chaired by Mr Abdlatif Al-Hamad, Director General and Chairman of the Board of the Arab Fund for Economic and Social Development, and Mr Erik Solheim, DAC Chair.

Achieving Inclusive Growth and More and Better Jobs in Arab States in Transition

The transformation and development process is complex in many Arab countries in transition. The wider economic situation and the crisis in Syria have further deteriorated development prospects in the region. It is crucial to find the right policy mix to achieve stability, sustainable development and inclusive growth, and to create more and better jobs, especially for women and the youth.

Bold policy reforms are needed to break out of the vicious circle of low growth, high unemployment and social and political instability. Improving the business climate, through better legal frameworks and greater access to finance, promoting job-creating investments and strengthening social safety nets are priority areas for action. Participants highlighted that there is a need for capacity building in the informal sector and a need for better enabling environment for micro, small and medium-sized enterprises.

Participants are convinced that development co-operation can play an important role in facilitating transformation. Many stressed that they are committed to Arab countries and provide support through funding, technical assistance, capacity building and policy dialogue that reflect the specific national needs.

Going forward, participants expressed their readiness to explore jointly how development co-operation can better support transformation processes in the Middle East and North Africa. In doing so, partners should link bilateral and multilateral initiatives that target the region, so that these can be strengthened.

Improving Efforts to Support Peacebuilding and Statebuilding

Fragility and conflict trap millions of people in poverty. They also pose a challenge to sustainable development and are costly. Participants stressed the centrality of politics and national leadership for peacebuilding and statebuilding as well as the need for greater co-operation by all development partners to support nationally led efforts to address conflict and fragility.

In discussing the situation in Somalia and Yemen, participants agreed that collective action with strong national leadership can deliver results. They welcome the Somali Compact and the Mutual Accountability Framework for Yemen as useful models for co-ordinated and effective support by all development partners.

Going forward, participants agreed on the need for Arab donors, DAC members and other partners to:

- Strengthen co-operation on fragile states, based on shared lessons and good practices. Existing platforms, notably the International Dialogue on Peacebuilding and Statebuilding and the International Network on Conflict and Fragility (INCAF), can be used for this purpose.



- Enhance co-ordination among all development partners at the country level, in line with national peacebuilding and statebuilding priorities. Particular focus must be put on supporting inclusive political dialogue and reconciliation, economic development and job creation, and institution strengthening, including through the use of country systems. The New Deal for Fragile States provides a useful framework for country-level engagement.
- Promote the role of women and engage with private sector actors, which have proven to be effective in peacebuilding and statebuilding.
- Continue to support Somalia and Yemen and increase co-ordination and alignment of their development co-operation within the established frameworks – the Somali Compact and the Mutual Accountability Framework for Yemen.

Improving Development Effectiveness through the Global Partnership for Effective Development Co-operation

Discussions highlighted the importance of making development co-operation more effective and of honouring the commitments that have been made, culminating with those set out in the Busan Partnership for Effective Development Co-operation (2011). The amount of assistance provided is important, as is quality of the co-operation. Participants agreed that it is necessary to document and share evidence of progress in the implementation of commitments on effective development co-operation.

Participants confirmed their intention to engage actively in the High-Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico on 15-16 April 2014; the OPEC Fund for International Development will lead the delegation of the Arab Coordination Group Institutions (ACGI).

Forming new partnerships and going beyond aid is important and all providers of development co-operation, including providers of South-South Co-operation, have much to offer to the Global Partnership. Consequently, participants argued that it is necessary to ensure an active participation and representation of a broad range of development actors. The view was expressed that ACGI members could usefully play an active role in the governance of the Global Partnership.

DAC members present welcomed the suggestion by the ACGI to exchange views prior to the Mexico High-Level Meeting on the themes of the conference and the governance of the Global Partnership; to organise an event in Jeddah, on the occasion of the 40th anniversary of the Islamic Development Bank, to take note of the Mexico outcome and lessons learned; and to study the feasibility of a partnership on “Energy for the Poor”.

Actions to Strengthen Co-operation

Participants welcomed the dynamic, constructive and forward-looking discussions and expressed their desire to intensify such collaborations between their institutions to co-ordinate activities better and make delivery of their support more effective. They underscored the importance of linking the Global Partnership for Effective Development Co-operation with the formulation of the sustainable development goals and generally the post-2015 agenda.

The Co-Chairs will continue to promote co-operation by bringing representatives together, including at a high level, to discuss development issues. As one way forward, the DAC Chair will invite the Chair of the ACGI to DAC High and Senior-Level Meetings. ACGI members are also welcome to participate in the work of DAC subsidiary bodies, such as INCAF, and to contribute to work on external development finance, tax and anti-corruption.

The Secretariat of the ACGI and the OECD Development Co-operation Directorate will continue to co-operate on a regular basis to exchange views and good practices on technical issues, to improve statistical reporting and to identify opportunities for the ACGI and the DAC to contribute to each other’s processes and activities.