

**First High-Level Meeting of the Global Partnership for
Effective Development Co-Operation (GPEDC)**

**Communiqué of the National and Regional Arab Development Funds, the Islamic
Development Bank, and the OPEC Fund for International Development (OFID)**

Support to the conference

1. The National¹ and Regional² Arab Development Funds, the Islamic Development Bank Group³, and the OPEC Fund for International Development (OFID) - the Coordination Group (CG) - welcome the forthcoming gathering of the First High-Level Meeting of the Global Partnership on Effective Development Cooperation in Mexico, April 2014 and commit to work for its success.
2. In preparation of the meeting, and in the context of the plans and road maps of its member institutions to develop their policies and work modalities, the Coordination Group reviewed formally and at all levels of management, the outcome of the 4th High Level Meeting on Aid Effectiveness (HLF4), which took place in Busan, Republic of Korea from November 29 to December 1, 2011, and the deepening of its technical framework by the Working Party on Aid Effectiveness (WP-EFF). The Coordination Group also takes note of the analytical work conducted by the Steering Committee established in June 2012 to govern the emerging *Global Partnership for Effective Development Cooperation* (GPEDC).
3. The Coordination Group observes with satisfaction the preparations of the Mexico High Level Meeting, and underscores the relevance of the subjects of the Plenary and Focus Sessions for advancing the progress of the GPEDC. The Coordination Group is preparing an active contribution to the debates, and to the implementation of the post-Mexico Road Maps in the way it had contributed to the preparation of the Busan HLF4 through - in particular - a **Statement of Resolve** which was welcomed as a document of the meeting.

¹ Kuwait Fund for Arab Economic Development, Abu Dhabi Fund for Development, Saudi Fund for Development, Saudi Export Program, Qatar Development Fund.

² Arab Fund for Economic and Social Development, Arab Gulf Program for United Nations Development Organization (AGFUND), Arab Monetary Fund Arab Trade Financing Program, Arab Bank for Economic Development in Africa, Arab Investment & Export Credit Guarantee Corporation (DHAMAN).

³ International Islamic Trade Finance Corporation (ITFC), The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Development Corporation for the Development of the Private Sector (ICD)

Evaluation of the agenda (and pointing out issues of importance to the Coordination Group)

4. The Coordination Group considers that the evaluation of the progress since Busan, the subject of the first plenary session, is a useful stocktake and a necessary assessment of what has worked and what needs improvement. Of particular importance is the countries' report of their experiences in this early stage of the deployment of the GEPDC. Beyond referring to broad agreed principles, the report will no doubt highlight the areas that need more analytical work, considering fully the desired shift from the aid effectiveness paradigm to that of development effectiveness.
5. In this context, the Coordination Group notes that the implementation of the Paris Declaration has left a considerable "unfinished business", the completion of which can be complex and in the meantime remains a constraint for the fuller deployment of the Global Partnership. The Coordination Group is particularly concerned by the need for the Global Partnership to encourage the growth of local capacities, and to ensure that country systems are based on policies that aim at developing country knowledge and capacity building.
6. By addressing the mobilisation of domestic resources, the High Level Meeting raises the all-important issue of financial resources for development. Underscoring the importance of domestic resources is a way of restating the long established principle that "each country has a primary responsibility for its economic development". Equally important however is the countries' need for external resources in the form of foreign direct investments and development aid. The committee of experts set up as a follow up to the *Rio+20 Conference* states that - in line with the *Doha Declaration on Development Finance* - the "fulfilment of all commitments related to Official Development Assistance (ODA) is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of Gross National Product (GNP) for ODA to developing countries by 2015, as well as a target of 0.15 to 0.20 per cent of GNP for ODA to the least developed countries". The Coordination Group observes that the critical issues in the mobilisation of domestic resources are no different from those addressing external resources. They include good governance, a sound macroeconomic framework, effective country systems for efficient tax systems, and innovative ways of mobilising domestic savings.

Comparing GPEDC and CG policy frameworks

7. The Coordination Group reviewed the GPEDC principles and found complete harmony with its long established policy framework. The working procedures of the institutions of the Coordination Group echo largely the indicators of the Paris Declaration and those of the GPEDC. Nonetheless, the Coordination Group concluded to the need to formalise and harmonise its information disclosure policies, and to restructure its data base in

order to make them more easily accessible to Partner Counties and development stakeholders electronically.

Reporting growth and diversification of operations

8. The Coordination Group examined the evolution of its cooperation with its Development Partners, and the effectiveness of its operations. The Coordination Group policies and operations are built on fifty years of experience and dialogue with countries of different development levels and paradigms. Importantly, the policies of the Coordination Group draw guidance from the dedication of its Member Countries to South-South solidarity and international cooperation.
9. The operations of the Coordination Group continued to grow in volume at a steady rate, reaching by 2012 the level of the largest regional development banks. In response to demands by Partner Countries, the institutions of the Group have also enlarged the range of their products to include - besides their traditional commitment to the Public Sector - support to the Private Sector, the development of knowledge, and the promotion of trade. Total commitment to different activities reached US\$ 53 billion in the period 2008-2012.

Showcasing the development impact of the public sector loans

10. In support to the Public Sector alone, close to US\$ 34 billion have been committed during the period 2008-2012 to over 900 operations in approximately one hundred countries. The Coordination Group is issuing on the occasion of the Mexico Conference its first effectiveness report to highlight the Group's sustained commitment to cooperation with its Partner Countries and development Partners. The report showcases the responsiveness of the Coordination Group to the demands of the Partner Countries and to changing paradigms. Over two thirds of the volumes committed are concessional, and the bulk benefitted low and lower middle income countries. The report assesses the effectiveness of the operations. Two thirds of the commitments have benefitted growth- promoting infrastructure such as energy, transport and water, all of which enhance the development of agriculture and industry, and generally impact favourably on social development. The operations of the Group are demand-driven, country-executed and totally in conformity with the countries' systems, including untied procurement. Often they are co-financed by government contributions and by Development Partners, which assures a high degree of transparency.
11. In reviewing the preparations of the Conference, and in particular the draft Communiqué (dated March 17, 2014), the Coordination Group fully supports the principles of the GPEDC, and welcomes the opportunity as a new member of the Steering Committee, to contribute to their development and to the work of the Steering Committee.

12. The Coordination Group underlines the need for the High Level Meeting to address more comprehensively important issues belonging to the “HOW” mandate of the Partnership. In particular, the Coordination Group underscores the need to:

- Reaffirm the importance of ODA and of the monitoring of development in that respect in the forthcoming period of implementation of the Partnership. ODA is a significant resource for the development of low income countries, and fragile states in particular which have no access to capital markets and have low potential for savings and domestic resource mobilisation.
- Stress the importance of addressing the “unfinished business” of the Paris Declaration and, if necessary, address also the constraints and the difficulties that would emerge from the first progress report by the Partner countries on the application of the GPEDC principles.
- Ensure that the GPEDC principles apply equally to the Sustainable Development Goals (SDGs) as they do for the Millennium Development Goals (MDGs) and recognise the effectiveness of linking sectors such as in the energy-water and food nexus to accelerate economic growth and poverty alleviation.
- Encourage acquisition of knowledge and knowledge sharing as prime means of economic growth and sustainable development. Recognize that primary education (MDG3) is a prelude to the absorption of general knowledge and the promotion of science and technology with a view to gaining places in value chains; further, recognize capacity-building as an important factor of sustainable development and the transfer of know-how as a main objective of international cooperation. The Coordination Group considers monitoring progress in these matters as main objects of the GPEDC global monitoring.
- Evaluate more comprehensively the contribution of the countries of the South, including Middle Income Countries, to the development of fellow developing countries and their global aid architecture. Encourage the development of new mechanisms and indicators that reflect the specificities of Southern Donors and the effectiveness of their contribution to global development.
- Encourage the newly formed Steering Committee to set up objectives and deliverables for the next High Level Meeting, and to seek in particular total cohesion between the GPEDC and the post-2015 agenda.