

**Key messages and conclusions from
the GPEDC side event on
“*Strengthening development finance
– perspectives from the receiving
end*”**

Contact:

TeresitaKelly.Lopez-Treussart@oecd.org

World Bank Spring Meetings, Washington D.C., 19 April 2015

Background

As Co-Chair of the Global Partnership for Effective Development Co-operation (GPEDC), Minister Goodall Gondwe of Malawi convened finance ministers and senior representatives from developing countries in the margins of the World Bank and International Monetary Fund Spring Meetings for a roundtable dialogue on joint priorities and perspectives for the Financing for Development Conference in Addis Ababa in July 2015. The meeting featured interventions from a range of developing countries, including Rwanda, Tanzania, Timor Leste, Kenya and South Sudan, as well as the g7+ group of fragile states, as well as views from development partners including Development Initiatives, the Netherlands, Mexico, and UNDP. Discussions focused on how the principles of effective development co-operation can contribute to making better use of existing resources for development, as well as to leveraging more quality public and private finance to achieve sustainable development for all.

Participants emphasised the **importance of the development effectiveness agenda** – and particularly the centrality of country ownership – for implementing the post-2015 agenda. The meeting also highlighted the **Global Partnership for Effective Development Co-operation as a unique forum for bringing all key development stakeholders together** to exchange practices and learn from each other. The event also provided an opportunity to hear the perspectives of partner countries on how to further strengthen country leadership in managing the diversity of finance and the mobilisation of domestic resources.

Highlights from the meeting

“No country – big or small – can develop in isolation. There is a need for a collective effort. Development co-operation can only be effective if we walk together throughout this journey and, most importantly, if we walk the talk” –
Goodall Gondwe, Minister of Finance, Malawi

- To achieve the Sustainable Development Goals, it will be essential to put the **quality and effectiveness of all sources of development finance at the centre of the Financing for Development and Post-2015 negotiations**. The discussion also confirmed the role of the **principles of development co-operation** – *ownership, focus on results, inclusive partnerships, and transparency and accountability* – as the **driving forces** to successfully position the GPEDC as part of the FFD/post-2015 agenda.
- **Developing countries made a strong call to be in the driving seat of development efforts**. Developing countries are committed to taking ownership and leadership of their own development challenges, need the space and autonomy to mobilise national resources for development, and welcome the support of partners in further strengthening country institutions and systems.
- **It is critical to address the “unfinished business” of aid/development effectiveness**. Country ownership and leadership remain central to ensuring

the effective delivery of Official Development Assistance (ODA). Providers of development co-operation need to “trust”, use and strengthen country systems.

- **ODA remains essential but needs to be tailored to country priorities and conditions on the ground.** ODA needs to be better targeted to reach the poorest countries, and remains particularly relevant in post-conflict and fragile states. ODA should be used to strengthen national institutions and country systems, including tax administrations and public financial management systems. Developed countries must accelerate their efforts to meet their 0.7% ODA commitment.
- **Domestic resource mobilisation is the most sustainable source of finance for developing countries** – more support is needed to improve tax and revenue collection systems and capacity, while the private sector needs to be kept in check to ensure that “*no one gets away with tax evasion and avoidance.*” More attention is needed to how ODA can be used to leverage domestic public and private resources, in addition to international private finance.
- **Better and smarter quality development finance (beyond ODA) will be crucial to achieve post-2015 objectives.** The principles of effective development co-operation can help to strengthen the use and management of existing resources, as well as leverage new and diverse sources of public, private and innovative finance for sustainable development.
- **Peaceful societies are a prerequisite and enabler for attracting and mobilising finance and investment.** Fragile and conflict affected states require particular support to engage the private sector, access climate finance, and benefit from their own natural resources by negotiating good contracts that maximise the benefit for the country.
- Despite good progress on **transparency**, particularly in relation to ODA data, further efforts are needed on forward-looking data availability. Transparency is not enough – **people need access to the information.** This requires investment in national statistical capacity so that data can be used to drive better decision-making at the national level.
- The **inclusive nature of the GPEDC enables developing countries to engage and link up with South-South co-operation providers and the private sector.** The discussions confirmed that the principles of development co-operation are applicable to **all** forms of development co-operation and that the GPEDC provides a platform for engaging with all key development stakeholders **as equals.**

Conclusion

- Participants welcomed the **GPEDC's unique added value as a forum for bringing the recipient constituency together**. The GPEDC is an inclusive multi-stakeholder platform that maximises the impact of development partnerships by supporting **developing country-led processes**. It is a partnership “business model” that is highly relevant for the post-2015 era.
- **Country leadership and ownership must be at the forefront of the post-2015 sustainable development agenda**. Developing countries are ready to take the lead on their national development by intensifying domestic resource mobilisation, building the capacity of national systems to mobilise revenues and tackle corruption, and enhancing knowledge and technological exchange through south-south and other forms of development co-operation.
- It is crucial that developing countries **make their views heard in the negotiations on the SDGs and the Financing for Development process**. Participants were encouraged to convey the aforementioned messages to their New York representatives and post-2015/FFD negotiators, particularly regarding the **importance attached to the effectiveness principles and agenda**.