

CONFERENCE ON DEVELOPMENT COOPERATION IN TIMES OF CRISIS AND ON ACHIEVING THE MDGs.

Palacio de Santa Cruz and IFEMA Convention Centre (Madrid), 9-10 June 2010

Aim and background:

Given its scope and magnitude, the current economic and financial crisis is having a very serious impact on the international economy and on the living conditions of a great many people throughout the world. On the one hand, it has reached, albeit unevenly, developing countries, with the ensuing threat of possible recession in the social achievements of recent years, and delaying, even more, the achievement of the MDGs. It has also affected, and most centrally, developed countries, limiting tax margins that would sustain the growth of international aid, and fuelling the temptation to resort to protectionist responses. In these conditions, it is necessary to reflect upon how best to increase the possibilities of supporting and financing developing countries, in a way that is compatible with the gradual recovery of economies affected by the crisis. Only by responding adequately will the international community set the necessary conditions to alleviate the impact that this serious recession will have on the path towards achieving the MDGs.

Moreover, this crisis has occurred in a context of thorough review of the role, structure and ways of managing the international development cooperation system. Among the reforms undertaken in recent years are: i) designing a shared agenda around the Millennium Development Goals; ii) setting forth principles to achieve more effective aid (the Paris Declaration, the Accra Agenda for Action, and the EU Consensus on Development); and, iii) resorting to new ways and instruments of implementing aid (with greater support for programme-based aid) and new channels for financing the partners (through budgetary support). These reforms took place in a context of profound changes in the cooperation system, as a result of the more active present of non-OECD countries in the group of donors, the increasing proliferation of actors within the aid system and the necessary revision of the development agenda, to include new instrumental resources and fields of action (ODA+) and new purposes (international public goods). In this case also, it is necessary to undertake an analysis and review the international development cooperation system of the future.

For all these reasons, and with a view to the UN MDG Summit, which will take place in September 2010, it is necessary to conduct a profound reflection, considering issues of notable significance on the development agenda. Thus, the aim of the Government of Spain is to convene an International Conference in Madrid to review: (i) the role that development cooperation can play in times of crisis like the present one; (ii) how to expand the mechanisms for financing development, in the context of a new financial architecture; iii) the reform of the cooperation system and of its forms of governance, to include the new actors that have arisen on the international scene; iv) how to make international aid more effective; and v) the best ways to advance towards the achievement of the MDGs in 2015 and to subsequently continue along the path of development.

Expected results:

The result of the Conference will be the promotion of debate and a report with recommendations for policies regarding the definition of the development agenda, the reform of the architecture of the international development cooperation system and of its governance, the strengthening of the mechanisms for financing development in the crisis context, and the enhancement of the effectiveness and legitimacy of international aid. All these aspects are relevant in advancing along the path of the achievement of the MDGs in 2015. This report will be submitted and will be an input for the June 2010 European Council debate, devoted to the MDGs, thus helping the EU forging a common position towards the September 2010 UN MDG Summit.

Preparation of the Conference:

In order to prepare the Conference, internationally renowned institutions and experts have been commissioned to draw up 6 background papers.

1. *The great recession and the developing world.* (José Antonio Ocampo, Stephany Griffith-Jones, Akbar Noman, Ariane Ortiz, Juliana Vallejo and Judith Tyson).
2. *Aid Flows in Times of Crises.* (Andrew Mold, Annalisa Prizzon, Emmanuel Frot and Javier Santiso).
3. *Aid, institutional quality and imposition: Some challenges of the international cooperation system.* (José Antonio Alonso, Carlos Garcimartín and Víctor Martín ICEI)
4. *The new face of development cooperation: the role of South-South cooperation and corporate social responsibility.* (Francisco Sagasti and Fernando Prada with the collaboration of Mario Bazán, Jorge Chávez Granadino and Gonzalo Alcalde)
5. *International financial architecture seen through the lense of economic crisis: achievements and numerous challenges.* (Stephany Griffith-Jones and José Antonio Ocampo)
6. *Governance of the aid system and the role of the EU.* (Owen Barder, Mikaela Gavás, Simon Maxwell and Deborah Johnson)

The aim is to have a Background Paper for each of these topics by early March 2010. Between March and April 2010, the Spanish Government will prepare a Technical Document, based on these background papers, so that it may become the basic document of the Conference. Throughout April and May, this document will be circulated, together with the announcement of the Conference, in order to confirm the delegations. At the same time, the authors of these background papers will be invited to the Conference in order to present their main conclusions and discuss them during the sessions.

Duration and format of the Conference

The Conference will be held on 9 and 10 June 2010 in Madrid. It will have a duration of a day and a half, divided into five debate sessions, as well as the corresponding opening and closing sessions. The venue of the Conference will be the IFEMA Convention Centre.

The inaugural session on 9 June, from 10:30 to 11.00 will take place in the Palacio de Santa Cruz, venue of the Spanish Ministry of Foreign Affairs and Cooperation, (Plaza de la Provincia, 1)

The Conference will be of a technical nature, targeting the presence of national and international experts, as well as political figures from donor and recipient countries, and leaders of high-level international organizations and NGOs.

It will be organized around 5 round tables where five specific relevant topics, related to the commissioned background papers, will be discussed. The presentations will be brief, so each round table will take about an hour and a quarter to address each topic.

Programme, Agenda and Content:

Day 1: 9 June

10:30-11:00 Inaugural session (Palacio de Santa Cruz)

Miguel Ángel Moratinos
Spanish Minister of Foreign Affairs and Cooperation

Helen Clark
UNDP Administrator

12:00- Coffee at arrival to IFEMA

12:30- 14:00 First Round Table: *The effects of the crisis on developing countries and their impact on the Millennium Agenda*

Content

- 1.- Characteristics of the crisis: origins and implications
- 2.- Economic and social effects on developing countries
- 3.- Policy options for developing countries
- 4.- Forecasts for the immediate future and effects on the Millennium Agenda

Chair: Yukiko Omura – IFAD Vice President

Invited participants

Stephany Griffith-Jones
Columbia University

Akbar Noman
Columbia University

Ana Revenga
World Bank Poverty Reduction and Economic Management Network Director

Giovanni Cornia
University of Florence; WIDER

14:00-15:30 Luncheon

15:30-17:00 **Second Round Table:** *The role of aid in times of crisis: aid effectiveness*

Content:

- 1.- Forecasts regarding the evolution of aid
- 2.- Possibilities of counter-cyclical behaviour of aid
- 3.- Aid effectiveness agenda: factors and limitations that determine aid effectiveness (best practices)
- 4.- Recommendations for donors beyond aid (trade, investments, remittances, immigration).

Chair: Mario Pezzini, OECD Development Centre

Invited participants:

José Antonio Alonso
Complutense University

Andrew Mold
OECD Development Centre

Duncan Green
Oxfam International

Jonathan Glennie
Christian Aid

Adriano Nuvunga
Eduardo Mondlane University

17: 00 Coffee Break

17:30-19:00 **Third Round Table:** *New donors and South-South cooperation*

Content

- 1.- Changes in the configuration of the aid system
- 2.- Characteristics and potential of South-South cooperation (best practices)
- 3.- New actors within the system: risks and opportunities

Chair: Javier Santiso Director, Telefonica Internacional and Economics Professor, ESADE Business School.

Invited participants

Francisco Sagasti
Peru Forum

Yiping Zhou
UNDP South-South Cooperation

Enrique Iglesias
SEGIB

Anabel Cruz
CIVICUS

Day 2: 10 June

9:30-11:00 **Fourth Round Table:** *Financing development and reforming the financial architecture*

Content

- 1.- Reform of the financial architecture and the problems involved in financing development
- 2.- The future of financing for development
- 3.- Initiatives regarding new mechanisms for financing development

Chair: Juan López-Dóriga, Director General of Development Policy Planning and Evaluation, Spanish Ministry of Foreign Affairs and International Cooperation

Invited participants:

José Antonio Ocampo
Columbia University and Co-Chair of the IPD

Akyuz Yilmaz
South Centre

Edmund Valpy Fitzgerald
University of Oxford

11:00- Coffee break

11:30-13:00 **Fifth Round Table:** *Governance of the aid system: the role of the EU*

Content

- 1.- Reasons for adequate governance of the cooperation system
- 2.- Changes in the aid system and implications for the governance structures
- 3.- Beyond ODA and the MDGs+: implications for the aid system.
- 4.- The case of the EU

Chair: Lyutskanov Mylen, Vice Minister of Foreign Affairs of Bulgaria

Invited participants

Owen Barden
ODI

Richard Manning
Global Fund to fight Aids, Tuberculosis and Malaria

Stefano Manservigi
Director-General for Development, European Commission

Enrique Guerrero
Member of the European Parliament

13:00-13:30 Closing Ceremony

Final conclusions

José Antonio Alonso
Complutense University

Closing session

José Antonio Ocampo
Columbia University and Co-Chair of the IPD

Soraya Rodríguez Ramos
Spanish Secretary of State for International Cooperation