



STATEMENT OF RESOLVE OF THE ARAB FUNDS OF THE COORDINATION GROUP



The Coordination Group

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1. We, Heads of Institutions of the “Coordination Group” comprising the Abu Dhabi Fund for Development, the Arab Gulf Program for Development Organizations, the Arab Fund for Economic and Social Development, the Arab Monetary Fund, the Arab Bank for Economic Development in Africa, the Islamic Development Bank group, the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, and OFID, the OPEC Fund for International Development, welcome the opportunity offered to us and the international community by the Busan Forum, to discuss development issues and development cooperation, in the light of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. We commend the efforts of the OECD-DAC and the Working Party on Aid Effectiveness for presenting issues of aid effectiveness and for highlighting the potential shift in the perception of development cooperation. We take note of the views of all stakeholders and more particularly those of the Partner Countries, regional groups and civil society. We are grateful to the government of the Republic of Korea for hosting the Forum and giving us an opportunity to reflect on its remarkable development model.

2. As a coordination body, we bring together bilateral and multilateral institutions each with its specificities but all with a common aim: to help developing countries reach their economic and social development objectives. Whilst the large share of funding of these institutions is provided by Arab countries, there is a significant presence of non-Arab Partner Countries in the capital and in the management of the multilateral institutions of the group. Our institutions have independent governing bodies and specific mandates and beneficiaries. They share, nonetheless, a strong commitment to inclusive and sustainable development of their often common Partner Countries. The institutions of our Group have initiated an intensive process of cooperation and coordination within the Group and with other like-minded institutions, which has resulted in cohesive approaches, common procedures, and joint operations. This process met largely the demands by the Partner Countries for alignment, transparency, de-fragmentation and effective partnerships.

“We have learned from an uninterrupted exposure to development issues, globally and locally, in countries of different development stages”

“Our commitments, for major investments, have exceeded US\$100 billion”

“We continue to be committed to the principles of ownership, alignment, harmonisation, mutual accountability and managing for results”

3. We commenced our development cooperation with developing countries 50 years ago. We have learned from an uninterrupted exposure to development issues, globally and locally, in countries of different development stages. Our operations covered the entire spectrum of economic and social sectors and included, where needed, debt relief. Our policy dialogue is at local and global level. At local level, it often involves successive governments and changing policies. At global level, and in various fora, we have promoted the views of countries and people in need of help for their economic and social development.

4. As a group, we have committed over 5,000 loans in over 100 countries. Our commitments, for major investments, have exceeded 100 billion US Dollars. These commitments are in addition to the direct contributions of Member Countries of our Institutions to the developing countries which, over the years, have exceeded in terms of relative GNI the contributions of most developed countries. We have been transparent and our track record is visible. Our model has undergone the test of time and of changing paradigms. We have funded the public as well as the private sector and emphasized capacity building. We have developed products which deal with short, medium and long term needs and we have contributed to the development of Public-Private Partnerships. Many of our projects are now in full operation, serving economic growth and providing social and economic services. It is against this tangible background, that we confirm our commitment to help fellow developing countries in concrete and disinterested ways and that we re-affirm our resolve to continue engaging our Partner Countries in rigorous and commonly defined partnerships.

5. We renew our commitment to harmonious international cooperation in which Official Development Assistance and other forms of development finance play an effective role in promoting development and social justice. We are committed to the Paris Declaration on Aid Effectiveness and the *Accra Agenda for Action*. We continue to be committed to the principles of ownership, alignment, harmonisation, mutual accountability and managing for results. These principles and their corollary procedures have been for many years at the heart of our policies and have been a driving force of our modes of operation. We appreciate the progress achieved since 2005 and note the unfinished business as spelled out by the evaluation of the Paris Declaration. In a spirit of mutual accountability, we call on the concerned signatories of the Paris Declaration, to persevere in their efforts to meet fully the principles of the Paris Declaration such as delivering on commitments, untying aid, working with countries' systems, and strengthening countries capacities.

“We call on advanced economies to meet the commitments made on numerous occasions to increase the volume of aid and further improve its quality”

“Developing countries and their representatives need to be given greater space and better capacity for voicing their concerns”

“Emerging economies now account for a substantial share of world output and have become major drivers of global growth”

6. We believe in a world where solidarity of the rich with the poor is a cornerstone of international relations and a condition for global sustainable development. We recognize, along with the *Monterrey Consensus* and in line with the *Doha Conference on Financing Development*, that mobilizing financial resources for development and the effective use of all these resources are central to the global partnership. We, accordingly, call on advanced economies to meet the commitments made on numerous occasions to increase the volumes of aid and further improve its quality. We believe in Donor-Partner Countries Partnerships with agreed reciprocal obligations. We thus call on Partner Countries to strengthen their economic and social development plans, and to enhance their monitoring and evaluating systems. As we learn from the *Arab Spring*, we need to ensure participation of all stakeholders in the development of transparent, and result-oriented strategies whose aim should be fair and inclusive development.

7. We believe that multilateral institutions and the UN system have a major role to play in strengthening the technical and institutional capacities of the developing countries and in setting standards for development cooperation that meet general acceptance. They are also well positioned for the dissemination of best practices. In this context, we believe that global partnership must be based on shared views and equitable representations of all partners. Developing countries and their representatives need to be given greater space and better capacity for voicing their concerns.

8. We note, as was already noted in Accra, that the world has changed and that it continues to change. Economic, trade and financial developments have contributed to speeding up the process of globalisation but did not ensure fair integration of conflicting interests. Emerging economies now account for a substantial share of world output and have become major drivers of global growth. These developments have contributed to reformulate international relations and have produced a new cooperation landscape. We believe that the Busan Forum should build on these developments and drive towards a broad and inclusive agenda.

“South-South cooperation is at the heart of our institutions’ strategies”

“Development cannot be effective if it is subjected to repeated crises”

“Busan Forum should result in a strengthened partnership where development effectiveness is the ultimate objective and where aid and aid effectiveness are enabling factors”

9. The institutions of the Coordination Group are the result of a strong belief in South-South solidarity. South-South cooperation is at the heart of our institutions’ strategies. We welcome the emergence of Middle Income Countries as donors of development finance and recognise the important role they play in regional development and in sharing knowledge and experiences. We recognise that South–South cooperation has become a major building block of global partnership. We commit ourselves to promoting aggressively all its forms and call on developed countries to transcend donor-recipient models and support regional developments as an essential step towards global development.

10. We believe that the international community must assess the challenges of the day and of the future, such as unemployment, failures in education systems, food insecurity, climate change and gender inequality. We believe that these challenges are global and consider that the search for solutions to their economic and social impact should be an essential part of the post–Busan Agenda. We stress in particular, that development cannot be effective if it is subjected to repeated crises. It is most important that uncertainties and volatility be tackled so as to restore confidence in global governance and to re-instate markets stability. We thus believe that the Busan Agenda cannot be dissociated from discussions in other fora.

11. We believe that the Busan Forum should result in a strengthened partnership where development effectiveness is the ultimate objective and where Aid and Aid Effectiveness are enabling factors. The post-Busan Agenda will thus aim at fixing objectives and targets which will integrate the Millennium Development Goals and their enabling factors in an enhanced MDGs framework. We commit our institutions to support, with the full extent of their means and mandates, the emergence of a renewed model of cooperation centred around strategies and programs prepared and fully owned by Partner Countries. We believe that investment priorities should be determined by the strategies of the Partner Countries and not by Donors’ perceptions.

“For developing countries, old and new global targets must be backed by unqualified commitments of development finance”

“Growth is seriously restrained by lack of infrastructure”

“New instruments and new modalities are useful complements to traditional mechanisms”

12. Other goals and targets are being considered in areas such as environment and climate change. We believe that in all cases, the root causes of the problems need to be clearly identified and investments required to address these problems need to be made more explicit. New demands resulting from these new targets should not conflict with commitments to MDGs. For developing countries, old and new global targets must be backed by unqualified commitments of development finance with development aid playing a major role.

13. We believe that for developing countries, poverty alleviation is the overarching objective of development and the MDGs are immediate targets. In the absence of sustained growth, this objective and related MDGs will not be reached or will not be sustained. The MDGs' enabling sectors such as agriculture, energy, and productive infrastructure have been starved of funds due to insufficient assessments of the MDGs requirements. For example, access to modern energy services is belatedly recognised as essential to effective progress towards all MDGs and has become a major aim of the Rio+20 agenda. Likewise, support to micro, small and medium scale enterprises is essential to employment and income enhancement. Growth is seriously restrained by lack of infrastructure. In line with the demands of Partner Countries, the institutions of the Coordination Group will continue supporting these sectors and generally the development of infrastructure as a sure way of accelerating growth and development.

14. We believe that new instruments and new modalities are useful complements to traditional mechanisms. In this context, private funds and remittances could play a useful role in the financing plans of developing countries. We welcome the innovative mechanisms being considered for the enhancement of development resources on the condition that they do not create new burdens on the developing countries. We note the commitments of the G8 and the G20 for the acceleration of development cooperation and we agree that global challenges call for new consensus and more innovative mechanisms. We believe that developing countries must be associated more closely to the analyses of these challenges and in the management of new institutions or facilities created in that respect.

“We commit to building a broad paradigm based on the new development landscape and involving all resources and all actors”

15. We are prepared to play an active role in the post-Busan Development Agenda. We believe that this Agenda will be built on the values of solidarity and global partnerships and would include the principles of sustainable and equitable development. We commit to building a broad paradigm based on the new development landscape and involving all resources and all actors in line with Goal 8 of the MDGs and in the continuation of the Monterrey Consensus. The experience of the Coordination Group in development issues and the close relations its institutions have built with the developing countries as beneficiaries and shareholders are most valuable. We believe that the Group is in a particular position to play an active role in the international efforts to devise a post-Busan architecture that integrates aid efficiency and development effectiveness.

For more information please contact the Coordination Group Secretariat: hq@arabfund.org