

Organisation for Economic Co-operation and Development (OECD)

OECD CONFERENCE ROOM PAPER

For the High-Level Dialogue on Financing for Development
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The Chair of the 2003 OECD Ministerial Council concluded that “at Doha, Monterrey and Johannesburg OECD members affirmed their commitment to promoting sustainable economic growth, achieving the UN Millennium Development Goals and lifting millions of people out of poverty.”

In this context work is proceeding on a number of OECD fronts, including policy dialogue and capacity building with developing countries and other non-OECD economies through Global Forums and regional outreach programmes.

This note sets out briefly the engagement of the OECD on some **key OECD initiatives with a strong post-Monterrey dimension**:

- the harmonisation of donor practices
- aid effectiveness
- policy coherence
- mutual accountability
- investment for development
- international tax dialogue
- taxation and achieving development goals

ODA volume prospects based on donor commitments made in the context of Monterrey are also attached.

Harmonisation of Donor Practices

The High Level Forum on Harmonisation held in Rome on 24-25 February 2003 produced a “**Rome Declaration**”, in which both bilateral and multilateral agencies have undertaken to make an intensive effort to harmonise donor practices and align these with developing country public management systems. Six “**Good Practices Papers**” developed by the Task Force on Donor Practices of the OECD’s Development Assistance Committee (DAC), with the participation of 16 developing countries, are a core reference point for this effort.

DAC Members recognise there is a need to shift the focus from discussion of principles to actual implementation at country level. A **stocktaking exercise** is being undertaken in order to monitor progress in the application of Good Practice Papers. The conclusions and recommendations of this exercise are to be submitted at the end of 2004 and would contribute to the discussions at a second High Level Forum on Harmonisation scheduled in early 2005.

OECD - Donor Practices: High Level Forum on Harmonisation (Rome, February 2003):
http://www.oecd.org/topic/0,2686,en_2649_34735_1_1_1_1_37413,00.html

Harmonising Donor Practices for Effective Aid Delivery
http://www.oecd.org/document/60/0,2340,en_2649_3236398_15731196_119820_1_1_37413,00.html

Harmoniser l'aide pour renforcer son efficacité

efforts in three areas: public financial management, managing for development results
and

Against this background NEPAD has proposed a **process of mutual review of**

been established to facilitate increased cooperation on tax matters by establishing a dialogue to share good practice.

The core elements of the ITD are:

Objective

- Promote effective international dialogue between governments on taxation, giving all countries a real input into the discussion of tax administration and policy issues
- Identify and share good practices in taxation
- Provide a clearer focus for technical assistance
- Avoid duplication of effort in respect of existing activities

Scope

- International and domestic tax policy and administration issues

Approach

- Build on strengths of existing institutions
- Ensure active involvement and participation from regional tax administration organizations, regional development banks, and potentially other interested organizations
- Arrange regular international conferences on issues of common interest in tax policy

The ITD is focused on increasing dialogue. It does not have the power to make, enforce or mediate binding tax rules.

A key initiative of the ITD is the ITD web internet site. www.itdweb.org is a free, multilingual, multinational site which provides an oppw (Intify11.25 a, multinat4ap3.5 TD -i6nh 575 TD -0.

ODA Volume Prospects in the context of Monterrey

Country							Real change in ODA in 2006 compared with 2002 (at 2002 prices and exchange rates) ¹	
							(US \$m)	Percent
Austria	475	0.23%	0.33%	2006	722	0.33%	248	52%
Belgium ²	1,061	0.42%	0.7%	2010	1,479	0.54%	418	39%
Denmark	1,632	0.96%	>0.7%	n.a.	1,568	0.85%	-63	-4%
Finland	466	0.35%	0.44%	2007	600	0.42%	134	29%
France ²	5,182	0.36%	0.5% (0.7% by 2012)	2007	7,229	0.47%	2,046	39%
Germany	5,359	0.27%	0.33%	2006	7,066	0.33%	1,708	32%
Greece	295	0.22%	0.33%	2006	476	0.33%	181	61%
Ireland ²	397	0.41%	0.7%	2007	665	0.63%	268	68%
Italy	2,313	0.20%	0.33%	2006	4,195	0.33%	1,882	81%
Luxembourg	143	0.78%	1%	2005	198	1.00%	55	38%
Netherlands	3,377	0.82%	0.8%	Already	3,566	0.80%	189	6%
Portugal	282	0.24%	0.33%	2006	420	0.33%	137	49%
Spain	1,608	0.25%	0.33%	2006	2,328	0.33%	720	45%
Sweden	1,754	0.74%	1%	2006	2,582	1.00%	828	47%
United Kingdom	4,749	0.30%	0.4%	2005-06	6,888	0.40%	2,139	45%
EU Members, Total	29,093	0.34%	0.39%	2006	39,984	0.43%	10,891	37%
Australia ³	962	0.25%	0.26%	in 2003-04	1,089	0.26%	126	13%
Canada	2,013	0.28%	8% annual increase	to 2010	2,739	0.34%	726	36%
Japan	9,220	0.23%	1998-2002 av. Level (\$10.5 bn)	in 2006	10,500	0.26%	1,280	14%
New Zealand	124	0.23%			134	0.23%	10	8%
Norway	1,746	0.91%	1%	2005	2,081	1.00%	334	19%
Switzerland ²	933	0.32%	0.4%	2010	1,128	0.36%	195	21%
United States ⁴	12,900	0.12%	Increase by \$7 bn from 2001	2006	17,026	0.15%	4,126	32%
DAC Members, Total	56,991	0.23%			74,680	0.28%	17,689	31%

¹ Assumes average real growth in GNI of 2% p.a. [3% for Canada and zero for Japan] from 2002 to 2006.

² ODA/GNI ratio for 2006 interpolated between 2002 and year target scheduled to be attained.

⁴ Assumes, for 2006, additional \$5 bn from the Millennium Challenge Account and \$2 bn from the Emergency Plan for AIDS Relief, and 2% p.a. inflation in the USA to deflate from 2006 to 2002 prices.