



U.S. State Department, Cable Paris 01060
A Mandatory Reference for ADS Chapter 221

Revision Date: 07/29/2008
Responsible Office: GC/LP
File Name: 221mad_072908

08060480539|PARIS 01060 |OECD/DAC HIGH LEVEL MEETING MAY 20-21, 2008

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ACTION OFFICE(S): !ASIAAA

INFO OFFICE(S): ADELCASTILLO AFRAM AFRDP AFRSD AFRWA
AIDGDA AMENGHETTI ARALTE AAID ASIAAMS
ASIAEAASCAA ASIASPO BBACON BLEAVITT
BMITCHELL BSILVERS CBRADY CGARRETT
CHMILLER DCHA1 DCHACMM DCHADG DCHAFFP
DCHAOFDA DCHAOMA DCHAPVC DSKORIC ECLESCERI
EGATAA EGATAG EGATEG EGATESP EGATNRM
EGATPDAM EGATWID GCAF GCAN GCDCHA IRMCIS
JBORNS JBROOKS JDWORKEN JLEE JSCANLON
KHUBER LBARBOUR LFREDMAN LGLAESER MLOUSTAUNOU
MNIMS NOMEARA OAAOD OAAT PPCDCO PPCMCA
RLEE SBERRY SBRADLEY SDOSANJH SGILBERT
SPARKS TLAVELLE TRASH TWAY

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ACTION AID-00

INFO LOG-00 EEB-00 AGRE-00 AMAD-00 A-00 INL-00 EAP-00
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R 041056Z JUN 08
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3242
DEPT OF TREASURY WASHDC
MILLENNIUM CHALLENGE CORP
AMEMBASSY TOKYO
AMEMBASSY ROME
USEU BRUSSELS 2321
USMISSION GENEVA

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FOR A/AID, DA/AID, AA/ANE, AA/BHR, AA/AFR, AA/EGAT, ODP/BMD, NSC, OMB,
STATE/F, STATE/EUR, STATE/E, STATE/G, MCC, TREAS TOKYO FOR CHARLES AANENSON
BRUSSELS FOR JONATHAN ADDLETON ROME FOR RICHARD NEWBERG GENEVA FOR NANCE
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E.O. 12958: NA

TAGS: OECD, EAID

SUBJECT: OECD/DAC HIGH LEVEL MEETING MAY 20-21, 2008

1. SUMMARY. OECD DEVELOPMENT MINISTERS AND AGENCY HEADS MET IN PARIS ON MAY 20-21, 2008 FOR THE DEVELOPMENT ASSISTANCE COMMITTEE (DAC)'S ANNUAL HIGH LEVEL MEETING (HLM). HIGH-LEVEL REPRESENTATIVES OF UNDP, WORLD BANK, AND IMF ALSO ATTENDED. AT DINNER HLM DELEGATES UNDERScoreD THE POLITICAL PRIORITY MEMBERS ATTACH TO WHOLE OF GOVERNMENT APPROACHES TO ENGAGING IN STATES AFFLICTED BY CONFLICT, INSTABILITY AND FRAGILITY. THEY AGREED TO HAVE A WHOLE OF GOVERNMENT MEETING IN SWITZERLAND EARLY 2009 TO SYNTHESIZE AND TAKE FORWARD THE RESULTS AND LESSONS OF A SERIES OF MEETINGS THIS YEAR AND EFFORTS IN FIELD TESTING AND DOCUMENTING GOOD PRACTICE. A SPECIAL BREAKFAST SESSION WAS HELD TO DISCUSS HOW TO EFFECTIVELY RESPOND TO THE GLOBAL FOOD PRICE CRISIS. (SEE SEPTELS PARIS 001008 AND PARIS 000991). HLM PARTICIPANTS SHARED THEIR EXPECTATIONS AND AMBITIONS FOR THE ACCRA HIGH LEVEL FORUM ON AID EFFECTIVENESS, SEPTEMBER 2-4 IN ACCRA, GHANA. A CONSENSUS EMERGED ON THE KINDS OF POLICY MESSAGES AND ACTIONS NEEDED TO ADDRESS BOTTLENECKS THEY WOULD LIKE TO SEE IN THE PLANNED OUTCOME DOCUMENT: THE ACCRA ACTION AGENDA. THE TERMS OF REFERENCE FOR A DAC STRATEGIC REFLECTION EXERCISE WERE ENDORSED OVER LUNCH AND A LIST OF SENIOR REPRESENTATIVES DESIGNATED TO PARTICIPATE IN THE CORE REFLECTION GROUP WAS PRESENTED. FOLLOWING A GOOD EXCHANGE OF VIEWS, PARTICIPANTS ENDORSED A PRE-CLEARED POLICY STATEMENT ON INTEGRATING CLIMATE CHANGE ADAPTATION INTO DEVELOPMENT, AS WELL AS A POLICY STATEMENT ON STRATEGIC ENVIRONMENTAL ASSESSMENTS.

2. THE U.S. DELEGATION WAS HEADED BY DIRECTOR OF FOREIGN ASSISTANCE

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AND ADMINISTRATOR OF USAID, HENRIETTA H. FORE. SHE WAS JOINED BY CHRISTOPHER EAGAN, U.S. AMBASSADOR TO THE OECD; GEORGE CARNER, US DAC DELEGATE; DIRK DIJKERMAN, CHIEF OPERATING OFFICER STATE/F; RICHARD MORFORD, MANAGING DIRECTOR MCC; ANITA MENGHETTI, HUMANITARIAN AND DAC ADVISOR USAID; AND MICHAEL METZLER, PROGRAM ANALYST, OFFICE OF THE ADMINISTRATOR, USAID.

3. THE US DELEGATION ADVANCED USG OBJECTIVES FOR THE HLM BY CONTRIBUTING TO BALANCED POLICY MESSAGES AND REALISTIC ACTION RECOMMENDATIONS FOR THE UPCOMING HIGH LEVEL FORUM IN ACCRA. IN A SIDE MEETING IN ADVANCE OF THE OFFICIAL SESSION, ADMINISTRATOR FORE PAVED THE WAY FOR COORDINATED POSITIONS WITH JAPAN, AUSTRALIA, CANADA AND NEW ZEALAND. SHE ALSO USED THE MARGINS OF THE HLM TO DISCUSS THE LEVEL OF REPRESENTATION AND TACTICS FOR THE UPCOMING BURMA RELIEF PLEDGING CONFERENCE WITH DENMARK, FINLAND, GERMANY, NETHERLANDS, PORTUGAL, SWEDEN, AND THE UK. END SUMMARY

WHOLE OF GOVERNMENT APPROACHES TO SITUATIONS OF CONFLICT AND FRAGILITY

4. DAC CHAIR ECKHARD DEUTSCHER HOSTED THE HLM DINNER FOR HEADS OF DELEGATION. THE DISCUSSION HIGHLIGHTED THE NEED FOR COORDINATED APPROACHES ACROSS DEVELOPMENT, DIPLOMATIC, AND DEFENSE MINISTRIES WITHIN AND ACROSS DONOR GOVERNMENTS. THE DAC CHAIR REVIEWED THE OUTCOMES OF THE THREE RECENTLY COMPLETED THEMATIC MEETINGS. BERT KOENDERS, THE DUTCH MINISTER, OPENED STRESSING WHOLE OF GOVERNMENT APPROACHES AND URGING A MORE POLITICAL APPROACH AND WILLINGNESS TO ACCEPT RISKS, PARTICULARLY WHEN WORKING ON SECURITY SYSTEM REFORM.

HE FAVORED GREATER INVESTMENT IN JOINT POLICY STATEMENTS, FLEXIBLE

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STAFFING AND FINANCING STRUCTURES TO OPERATIONALIZE WHOLE OF GOVERNMENT CONCEPTS. REALITIES ON THE GROUND SHOULD DICTATE INTERNATIONAL RESPONSES, AGAINST WHICH RESULTS MUST BE DEMONSTRATED.

BRUCE DAVIS, DIRECTOR GENERAL, AUSAID, HIGHLIGHTED THE NEED TO ADDRESS SITUATIONS IN DECLINE, NOT JUST POST-CONFLICT. AUSTRALIA'S LESSONS POINT TO THE IMPORTANCE OF UPSTREAM SHARED ANALYSIS AND GETTING THE RIGHT LEADERSHIP MECHANISMS IN PLACE. MAJOR DILEMMAS INCLUDE HOW TO BALANCE CAPACITY DEVELOPMENT NEEDS WITH URGENT SERVICE DELIVERY IMPERATIVES, AND ENSURING THAT FIDUCIARY CONCERNS ARE ADDRESSED WHILST PROTECTING RELATIONSHIPS WITH PARTNERS.

LUXEMBOURG'S MINISTER FOR BOTH DEVELOPMENT AND DEFENSE, JEAN-LOUIS SCHILTZ, EMPHASIZED KEEPING THE MANAGEMENT OF RESOURCES FOR SECURITY AND DEVELOPMENT SEPARATE, AND THE NEED TO MAKE EXISTING STRATEGIC PLANNING FRAMEWORKS WORK, AS OPPOSED TO CREATING NEW ONES.

5. MINISTERS WELCOMED THE SWISS OFFER TO HOST A MEETING OF SENIOR OFFICIALS FROM THE DIPLOMATIC, DEFENCE AND DEVELOPMENT COMMUNITIES EARLY NEXT YEAR AT WHICH MANY OF THE CONCERNS RAISED BY THE HLM WOULD BE ADDRESSED, TOGETHER WITH THE FINDINGS FROM THE THREE THEMATIC MEETINGS AND LESSONS FROM FIELD EXPERIENCE. MS FORE JOINED THE CONSENSUS.

6. WITH A VIEW TO PROMOTING PARTNERSHIPS, THE MEETING RAISED

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	PER-00	GIWI-00	IRM-00	NCTC-00	FMP-00	BBG-00	R-00
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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3243

DEPT OF TREASURY WASHDC

MILLENNIUM CHALLENGE CORP

AMEMBASSY TOKYO

AMEMBASSY ROME

USEU BRUSSELS 2322

USMISSION GENEVA

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SEVERAL CORE ISSUES IN FUTURE ENGAGEMENT. FIRST, THE IMPORTANCE OF REGIONAL APPROACHES TO SITUATIONS OF CONFLICT AND FRAGILITY. SECOND, PAYING MORE ATTENTION TO COUNTRY OWNERSHIP IN SUCH SITUATIONS. THIRD, ENGAGEMENT WITH NON DAC DONORS, AS MANY ARE INCREASINGLY ACTIVE IN FRAGILE SITUATIONS. FOURTH, PERSUADING TAX PAYERS AND PARLIAMENTS IN OECD COUNTRIES TO INVEST IN HIGH RISK FRAGILE SITUATIONS. FINALLY, THE ROLE OF WOMEN, THE LACK OF DEMOCRACY AND HUMAN RIGHTS, AND THE NEED FOR EMPLOYMENT INITIATIVES WERE HIGHLIGHTED BY DIRECTOR FORE AS KEY ISSUES REQUIRING ATTENTION.

7. FOOD CRISIS. SEE REFERENCED SEPTELS REPORTING ON THE BREAKFAST SESSION ON RESPONDING TO THE FOOD PRICE CRISIS AND THE FULL TEXT OF MS FORE'S REMARKS. MINISTERS AGREED ON THE URGENCY OF A WELL COORDINATED RESPONSE FOR BOTH IMMEDIATE NEEDS (E.G. SUPPORT TO WFP) AND FOR THE MEDIUM AND LONG TERM.

8. THE DAC CHAIR OFFICIALLY OPENED THE HLM ON MAY 21 BY INTRODUCING OECD SECRETARY-GENERAL ANGEL GURRIA, WHO PROVIDED INTRODUCTORY REMARKS. HE NOTED THAT IT WAS 61 YEARS AGO THAT GENERAL GEORGE MARSHALL LAID OUT A PLAN FOR THE REDEVELOPMENT OF EUROPE AND LATER ASIA THAT WAS NOTABLE FOR ITS BREVITY, CLARITY AND OPTIMISM, WHOSE SPIRIT OF COOPERATION STILL STANDS TODAY. HE NOTED THE INTERNATIONAL SIGNIFICANCE OF THE ITEMS ON THE HLM AGENDA, NOTABLY:
FRAGILE STATES, CLIMATE CHANGE, FOOD PRICES, SCALING UP, PREDICTABILITY AND EFFECTIVENESS OF AID WHICH WILL BE TAKEN UP AND

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SEVERAL MEETINGS LATER IN THE YEAR. HIS FULL SPEECH IS AVAILABLE ON THE OECD WEB SITE.

THE POLITICAL AGENDA FOR DEVELOPMENT COOPERATION IN 2008: ACCRA AND ODA
PROSPECTS AND ISSUES

9. DEUTSCHER INITIATED THE DISCUSSION ON AGENDA ITEM 2, BY NOTING THAT ACCRA MUST BE A POLITICAL AND NOT ONLY A TECHNICAL EXERCISE. A CLEAR MESSAGE OF POLITICAL WILL MUST BE SENT THAT DEMONSTRATES COMMITMENT TO GREATER PROGRESS ON ADDRESSING PARTNER CONCERNS WHICH INCLUDE: MORE RESPONSIVE, COUNTRY-DRIVEN CAPACITY DEVELOPMENT; GREATER PREDICTABILITY OF AID; A BETTER DIVISION OF LABOR AMONG DONORS; REDUCED POLICY CONDITIONALITY; IMPROVED DONOR INCENTIVES FOR ACHIEVING AID EFFECTIVENESS; AND INCREASED UNTYING OF AID. HE ALSO NOTED THE LINKS AND CONTRIBUTIONS THE HIGH LEVEL FORUM IN ACCRA IS EXPECTED TO MAKE TO THE MDG HIGH LEVEL EVENT IN NEW YORK LATER IN SEPTEMBER AND TO THE FINANCING FOR DEVELOPMENT MEETING IN DOHA IN DECEMBER.

10. THE NORDIC COUNTRIES, THE EC, UK AND NETHERLANDS CALLED FOR THE MOST SWEEPING PROPOSALS AND COMMITMENTS AT ACCRA INCLUDING PROVIDING THREE-YEAR FORWARD AID FUNDING TIMETABLES AND MOVING AWAY FROM DONOR IMPOSED POLICY CONDITIONS TO MUTUALLY AGREED PERFORMANCE CONTRACTS LINKED TO RESULTS. THEY ALSO STRESSED THE NEED FOR CIVIL SOCIETY ENGAGEMENT IN COUNTRY OWNERSHIP OF DEVELOPMENT PLANS, POLICIES AND PROGRAMS AS WELL AS ACCOUNTABILITY MECHANISMS. ON THE DIVISION OF LABOR AMONG DONORS, SOME ARGUED FOR GLOBAL LEVEL PRINCIPLES PATTERNED AFTER THE EU CODE OF CONDUCT WHILE OTHERS FAVORED MORE PARTNER-LED PRINCIPLES AT THE COUNTRY LEVEL. SOME OF THESE

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DELEGATES EMPHASIZED DONOR INCENTIVES SUCH AS INCLUDING AID EFFECTIVENESS IN PERSONNEL WORK OBJECTIVES AND PERFORMANCE EVALUATIONS. STILL OTHERS ADVOCATED COMPLETELY UNTYING ALL TYPES OF AID, INCLUDING FOOD AID. THE EC DELEGATE SUGGESTED THAT THE PARIS DECLARATION HAD BEEN TOO TECHNICAL AND CONSERVATIVE IN ITS COMMITMENTS AND URGED THAT WE CHALLENGE OURSELVES FURTHER POLITICALLY.

11. REPRESENTATIVES OF CANADA, AUSTRALIA, AND NEW ZEALAND OFFERED MORE PRAGMATIC APPROACHES INCLUDING ADVOCATING FOR "PRINCIPLED" CONDITIONALITY THAT REFLECTS A MUTUAL COMPACT BETWEEN DONOR AND PARTNER COUNTRY, DIVISION OF LABOR AT COUNTRY LEVEL AND, IN CANADA'S CASE, A COMMITMENT TO CONTINUE WITH EFFORTS TO COMPLETELY UNTIE ITS AID, INCLUDING ALL FOOD AID. GERMANY AND JAPAN'S DELEGATES STATED CLEARLY THAT THEY WOULD NOT BE ABLE TO AGREE WITH A COMPLETE UNTYING OF TECHNICAL ASSISTANCE OR SHIFT AWAY FROM ALL POLICY CONDITIONS.

12. (NOTE: ADMINISTRATOR FORE HOSTED A SIDE MEETING THE DAY BEFORE WHICH HELPED SYNCHRONIZE COMMENTS FROM CANADA, NEW ZEALAND, AUSTRALIA, THE U.S. AND JAPAN. AT THAT MEETING REPRESENTATIVES OF THESE COUNTRIES AGREED TO CONTINUE TO SHARE INFORMATION AND COLLABORATE IN WORKING TOWARD A PRAGMATIC AND ACTIONABLE ACCRA ACTION AGENDA. END NOTE)

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	NSAE-00	NSCE-00	OIC-00	OMB-00	NIMA-00	EPAU-00	MCC-00
	PER-00	GIWI-00	IRM-00	NCTC-00	FMP-00	BBG-00	R-00
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FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3244
DEPT OF TREASURY WASHDC
MILLENNIUM CHALLENGE CORP
AMEMBASSY TOKYO
AMEMBASSY ROME
USEU BRUSSELS 2323
USMISSION GENEVA

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13. THE U.S. JOINED THE MORE PRAGMATIC GROUP. ADMINISTRATOR FORE NOTED THAT SHE AGREED THAT POLITICAL WILL WOULD NEED TO BE EXPRESSED AT ACCRA AND THAT THE PROPOSED POLITICAL MESSAGES FOR ACCRA FOCUSED ON THE RIGHT ISSUES, NAMELY OWNERSHIP, MUTUAL ACCOUNTABILITY AND INCLUSIVE PARTNERSHIPS. SHE URGED THAT THE ROLE OF THE PRIVATE SECTOR BE RECOGNIZED IN THE ACCRA AGENDA FOR ACTION. SHE RECOMMENDED THAT THE DIVISION OF LABOR AMONG DONORS BE A PARTNER COUNTRY LED EXERCISE. SHE AGREED WITH NEW ZEALAND'S CHARACTERIZATION OF CONDITIONALITY AS NEEDING TO BE PRINCIPLED, MUTUALLY ACCOUNTABLE, AND TRANSPARENT. FORE ALSO NOTED THAT THE U.S. COULD COMMIT TO BEING AS TRANSPARENT AS POSSIBLE REGARDING FORWARD PROGRAMMING AT THE COUNTRY LEVEL BUT THAT OUR BUDGETING SYSTEM STILL MAKES FORWARD BUDGETING AND GLOBAL PREDICTIONS PROBLEMATIC. ON UNTYING, THE U.S. SUPPORTS EXTENDING UNTYING TO NON-LOW INCOME HIPC COUNTRIES, INCREASED LOCAL PROCUREMENT AND MORE TRANSPARENT REPORTING ON IMPLEMENTATION OF THE DAC RECOMMENDATION.

14. THE CHAIR SUMMARIZED WHAT HE SAW AS AN EMERGING CONSENSUS ON KEY POLICY MESSAGES (I.E. OWNERSHIP, MUTUAL ACCOUNTABILITY, AND INCLUSIVE PARTNERSHIPS) AND ACTIONS TO ADDRESS PARTNER COUNTRY PRIORITY CONCERNS IN LINE WITH THE PARIS PRINCIPLES. (COMMENT: THE CHAIR'S SUMMARY DOES NOT PREJUDGE THE LEVEL OF AMBITION, THE MESSAGES OR THE ACTUAL CONTENT OF THE FINAL DRAFT OF THE ACCRA ACTION AGENDA. END COMMENT.)

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15. THE KEY ACTIONS IDENTIFIED IN THE SUMMARY INCLUDE:

- I. STRENGTHEN DEMAND DRIVEN CAPACITY DEVELOPMENT -- WE WILL DESIGN OUR TECHNICAL COOPERATION AS PART OF COLLECTIVE EFFORTS TO SUPPORT PARTNER COUNTRIES' CAPACITY DEVELOPMENT OBJECTIVES AND, IN DOING SO WE WILL RELY INCREASINGLY ON LOCAL OR REGIONAL EXPERTISE.
- II. INCREASE MEDIUM-TERM PREDICTABILITY -- WE WILL PROVIDE PARTNER COUNTRIES REGULAR AND TIMELY INFORMATION ON OUR THREE-YEAR FORWARD EXPENDITURE AND/OR IMPLEMENTATION PLANS SO THAT PARTNER COUNTRIES CAN INTEGRATE THESE IN THEIR MEDIUM-TERM PLANNING AND MACROECONOMIC FRAMEWORKS.
- III. IMPROVE APPLICATION OF CONDITIONS -- WE WILL APPLY CONDITIONS IN WAYS THAT STRENGTHEN PARTNER COUNTRIES' OWNERSHIP AND REFLECT MUTUALLY AGREED TERMS.
- IV. MAKE PROGRESS ON DIVISION OF LABOUR -- WE WILL CONCENTRATE OUR AID EFFORTS IN PARTNER COUNTRIES UNDER THEIR LEADERSHIP, WHILST ENSURING ALL PARTNER COUNTRIES RECEIVE ADEQUATE SUPPORT.
- V. DONOR INCENTIVES - WE WILL SPECIFY JOB PROFILES AND STAFF ASSESSMENTS CRITERIA THAT WILL INDUCE PRACTICES THAT ARE IN LINE WITH COMMITMENTS AGREED IN PARIS.
- VI. UNTIE AID -- WE WILL EXTEND COVERAGE OF THE 2001 DAC RECOMMENDATION ON UNTYING AID TO NON-LDC HIPCS AND WE WILL PROMOTE LOCAL AND REGIONAL PROCUREMENT, WHILE CALLING UPON NON-DAC COUNTRIES TO UNTIE THEIR AID IN PARALLEL AND TO ENSURE RESPECT FOR INTERNATIONALLY AGREED PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY.

16. THE DISCUSSION ON ODA PROSPECTS WAS ABBREVIATED AS THE ACCRA HLF INTERVENTIONS HAD BEEN BOTH NUMEROUS AND EXPANSIVE. MOST DELEGATES REFERRED TO THEIR PROGRESS AND BUDGETARY CHALLENGES IN SCALING UP THEIR ODA TO MEET THE 0.7 PERCENTAGE OF GNI TARGET.

THOSE DONORS ALREADY MEETING THE 0.7 URGED ALL DONORS TO DELIVER ON

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THEIR PLEDGES, SO AS TO NOT LOOSE THE RESPECT OF PARTNER COUNTRIES.
(NOTE: THE U.S. HAS NOT COMMITTED TO THE 0.7 PERCENT OF GNI TARGET.
END NOTE.) DAC REPRESENTATIVE CARNER INFORMED THAT THE U.S. HAD MET ITS
MONTERREY COMMITMENT TO DOUBLE ITS OFFICIAL ASSISTANCE AND WAS ALSO ON
TARGET FOR MEETING ITS GLENEAGLES COMMITMENT TO SUB SAHARA AFRICA.

THE CHANGING LANDSCAPE OF DEVELOPMENT COOPERATION AND THE FUTURE ROLE OF THE
DAC

17. IN LAUNCHING THE LUNCHEON DISCUSSION, DEUTSCHER NOTED THAT
INSTITUTIONAL DIALOGUE AND INCREASED ENGAGEMENT IN DAC'S SUBSTANTIVE WORK BY
NON-DAC DONOR COUNTRIES WAS THE FOCUS OF THE DAC'S OUTREACH STRATEGY. HE
ASKED WHAT GUIDANCE HLM PARTICIPANTS WISHED TO GIVE IN THIS RESPECT,
INCLUDING ON WHETHER TO ENGAGE WITH NON-GOVERNMENTAL ACTORS. MINISTERS
WELCOMED THE OUTREACH STRATEGY AND DAC EFFORTS TO ENTER INTO DIALOGUE AND
ENCOURAGE COUNTRIES LIKE CHINA AND INDIA, AS WELL AS NEWER DONORS TO FOLLOW
GOOD PRACTICE, REPORT ON THEIR AID FLOWS AND JOIN DAC DONORS IN ADVANCING
AID EFFECTIVENESS.

18. CARNER, REPRESENTING THE US DELEGATION AFTER DIRECTOR FORE'S

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R 041056Z JUN 08
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3245
DEPT OF TREASURY WASHDC
MILLENNIUM CHALLENGE CORP
AMEMBASSY TOKYO
AMEMBASSY ROME
USEU BRUSSELS 2324
USMISSION GENEVA

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DEPARTURE, UNDERScoreD THE CHANGING CHARACTER OF DEVELOPMENT COOPERATION AND FINANCE WITH ODA AND DAC DONORS' SHARE DECLINING RELATIVE TO TRADE, PRIVATE INVESTMENT, REMITTANCES AND PRIVATE PHILANTHROPY. HE ENCOURAGED THE DAC TO EXPLORE NEW WAYS OF MOBILIZING OFFICIAL AND PRIVATE RESOURCES AND COMBINING EFFORTS ACROSS VARIOUS ACTORS INTO EFFECTIVE PUBLIC PRIVATE PARTNERSHIPS AND OTHER ALLIANCES. HE SIGNALLED THAT A NEW CHALLENGE FOR THE DAC WAS RELATING TO ITS MEMBERS NOW THAT THEY WERE PURSUING A WHOLE OF GOVERNMENT APPROACH.

19. DEUTSCHER THEN DISCUSSED THE DAC'S REFLECTION EXERCISE, WHICH WILL BE THE MOST SIGNIFICANT REVIEW OF THE DAC'S ROLE AND FUNCTIONING SINCE IT WAS FOUNDED IN 1960, AND ASKED FOR ANY PARTICULAR LINES OF INQUIRY HLM PARTICIPANTS WOULD LIKE TO PURSUE AGAINST THE BACKGROUND OF THE CHANGING INTERNATIONAL AID ARCHITECTURE.

20. THE DAC REFLECTION GROUP WAS FORMED AND THOUGH THE ORIGINAL INTENT WAS TO KEEP THE GROUP SMALL AND MANAGEABLE IT NOW INCLUDES REPRESENTATIVES NOMINATED BY 13 MEMBER STATES, (CANADA, FINLAND, GERMANY, GREECE, JAPAN, NETHERLANDS, SWEDEN, SWITZERLAND, NEW ZEALAND, UNITED KINGDOM, AND THE U.S.) PLUS THE WORLD BANK AND SOUTH KOREA, WHICH ARE DAC OBSERVERS. NEW ZEALAND AND U.K. REPRESENTATIVES ARE YET TO BE DESIGNATED. THE U.S. REPRESENTATIVE WILL BE USAID COUNSELOR, LISA CHILES. (THE FIRST FULL MEETING OF THE GROUP IS TENTATIVELY SET FOR JULY 2 IN NEW YORK.)

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CLIMATE CHANGE, DEVELOPMENT COOPERATION AND STRATEGIC ENVIRONMENTAL
ASSESSMENT

21. THE FINAL AGENDA ITEM FOR DISCUSSION WAS CLIMATE AND ENVIRONMENT IN WHICH A SERIES OF QUESTIONS WERE BEING ASKED. TO SAVE TIME, THE CHAIR QUICKLY ASKED FOR AND RECEIVED ENDORSEMENT OF THE POLICY STATEMENTS ON INTEGRATING CLIMATE CHANGE ADAPTATION INTO DEVELOPMENT AND ON STRATEGIC ENVIRONMENTAL ASSESSMENT.

22. SUBSEQUENTLY, THE MAJORITY OF DISCUSSION FOCUSED ON WHETHER OR NOT ENVIRONMENTAL PROGRAMMING COULD BE OR SHOULD BE COUNTED DISCRETELY FROM DEVELOPMENT ASSISTANCE. DELEGATES EMPHASIZED VARIOUS TYPES OF ENVIRONMENT-RELATED PROGRAMMING, SUCH AS DISASTER MITIGATION OR CLIMATE ADAPTATION. A CONSENSUS EMERGED THAT IF THE GOAL WAS INDEED TO INTEGRATE RESPONSIBLE, CLIMATE AND ENVIRONMENTALLY SENSITIVE AND SUSTAINABLE PRACTICES INTO DEVELOPMENT PROGRAMMING, THE FUNDING COULD NOT BE CONSIDERED DISTINCT.

23. U.S. DELEGATE CARNER NOTED THAT THE DAC SHOULD LEAVE THE DISCUSSION OF ALLOCATION OF REVENUES FROM EMISSIONS TRADING AND INCLUSION OF AVOIDED DEFORESTATION INTO EMISSIONS TRADING SCHEMES, TO THE CLIMATE CHANGE NEGOTIATORS AND FOCUS ON PRACTICAL WAYS TO INTEGRATE CLIMATE CHANGE INTO DEVELOPMENT ACTIVITIES. HE ALSO INFORMED THAT THE U.S. WILL CONTINUE TO COMMIT SIGNIFICANT EFFORT AND RESOURCES TO DEVELOPMENT ASSISTANCE, AND STRENGTHENING ITS PARTNERSHIPS TO ADDRESS THIS GLOBAL CHALLENGE, INCLUDING THROUGH AN INTERNATIONAL FUNDING MECHANISM TO PROMOTE CLEAN TECHNOLOGIES. THE U.S. VIEWS CLIMATE CHANGE AND DEVELOPMENT AS INSEPARABLE, AND

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THEREFORE SEES LITTLE VALUE IN TRYING TO DEFINE DISTINCTIONS.

24. IN SUMMING UP THE SESSION THE CHAIR NOTED CONSENSUS ON POSTPONING THE REVIEW OF THE 2004 AGREEMENT ON THE USE OF ODA IN CONNECTION WITH CLEAN DEVELOPMENT MECHANISMS PROJECTS UNDER THE KYOTO PROTOCOL TO 2010, TO SPECIFICALLY REPORT ODA SUPPORT FOR CDM PROJECTS AND TO EXPLORE OPTIONS FOR A SECOND JOINT MEETING WITH ENVIRONMENT MINISTERS BACK-TO-BACK WITH THE 2009 HLM.

25. UNDER OTHER BUSINESS, THE POLICY COHERENCE FOR DEVELOPMENT PROGRESS STATEMENT TO THE UPCOMING OECD MINISTERS IN COUNCIL MEETING (MCM) WAS NOTED.

SIDE MEETING ON BURMA

26. ADMINISTRATOR FORE CALLED AN IMPROMPTU MEETING WITH DUTCH DEVELOPMENT MINISTER KOENDERS, UK DIRECTOR GENERAL, INTERNATIONAL DEPARTMENT FOR INTERNATIONAL AFFAIRS, MARTIN DINHAM, AND SENIOR LEVEL REPRESENTATIVES FROM DENMARK, FINLAND GERMANY, PORTUGAL, AND SWEDEN, WHEREIN THEY DISCUSSED TERMS FOR THEIR COUNTRIES' LEVEL OF REPRESENTATION AND BASIC DEMANDS THEY ANTICIPATE MAKING AT THE BURMA

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ACTION AID-00

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	EUR-00	UTED-00	VCI-00	OBO-00	H-00	TEDE-00	INR-00
	IO-00	LAB-01	L-00	MOFM-00	MOF-00	VCIE-00	DCP-00
	NSAE-00	NSCE-00	OIC-00	OMB-00	NIMA-00	EPAU-00	MCC-00
	PER-00	GIWI-00	IRM-00	NCTC-00	FMP-00	BBG-00	R-00
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FM AMEMBASSY PARIS
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DEPT OF TREASURY WASHDC
MILLENNIUM CHALLENGE CORP
AMEMBASSY TOKYO
AMEMBASSY ROME
USEU BRUSSELS 2325
USMISSION GENEVA

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AIDAC

FOR A/AID, DA/AID, AA/ANE, AA/BHR, AA/AFR, AA/EGAT, ODP/BMD, NSC, OMB,
STATE/F, STATE/EUR, STATE/E, STATE/G, MCC, TREAS TOKYO FOR CHARLES AANENSON
BRUSSELS FOR JONATHAN ADDLETON ROME FOR RICHARD NEWBERG GENEVA FOR NANCE
KYLOH

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E.O. 12958: NA

TAGS: OECD, EAID

SUBJECT: OECD/DAC HIGH LEVEL MEETING MAY 20-21, 2008

PLEDGING CONFERENCE.

MEDIA COVERAGE

27. THE DAC CHAIR HELD A PRESS CONFERENCE ON MAY 22 AND HIS REMARKS ARE POSTED ON THE OECD WEBSITE.

COMMENT

28. THE HLM WAS WELL ATTENDED BY DEVELOPMENT MINISTERS AND AGENCY HEADS WHICH ELEVATED THE DISCUSSION TO A POLICY LEVEL AND DREW OUT THE POLITICAL IMPLICATIONS OF THE FRAGILE STATES, AID EFFECTIVENESS AGENDA AND INTEGRATING CLIMATE CHANGE INTO DEVELOPMENT MORE FULLY. THE U.S. DELEGATION ADVANCED THE INTERAGENCY CLEARED OBJECTIVES FOR THE MEETING AND WAS SATISFIED THAT MANY OF OUR VIEWS ON FRAGILE STATES, THE NEED FOR WELL COORDINATED AND COMPREHENSIVE SHORT, MEDIUM AND LONG-TERM RESPONSES TO THE FOOD CRISIS, AID EFFECTIVENESS, THE DAC'S FUTURE ROLE, AND PRAGMATIC POLICY TARGETS FOR THE ACCRA ACTION AGENDA HELPED SHAPE THE HLM OUTCOMES. WE ALSO ADVANCED OUR VIEWS IN SUPPORT OF CLIMATE CHANGE AS PART OF OUR DEVELOPMENT PROGRAMMING. EGAN

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