



## Forum for 21st century on Effectiveness of Development Aid





### Notes

- According to the United Nations Millennium Declaration (2000), solidarity belongs to the fundamental values, which are essential to international relations in the twenty-first century. “Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most.”
- In the present globalized world no one should be unconcerned about the basic needs of other countries and everyone should realize that solving the problem of poverty is on the interest list of every country. Poverty is a state of shortage of sources or an unequal access to its redistributing, which causes problems with basic human existence and consequently does not provide the life conditions and satisfying the necessities of life.
- Each country of the world has the share of responsibility in providing aid to developing countries to help them fight the poverty and to integrate them into the world economy. In last decades, the importance of solving the problem of poverty and diminishing significant differences between the rich and poor increases rapidly. Unfortunately, solidarity and basic moral values are not the primary engine of providing development aid. For a donor country, political and economical interests are more crucial and decisive than the criteria of urgency and inevitability of development aid.
- The security and stability of the international relations is often directly proportional to the extent of poverty in countries and their regions. Resolving the problem of poverty and reducing it as much as possible will help fundamentally to achieve stable world environment. Nowadays, we cannot say that a world, in which two thirds of the population suffers from poverty, is a stable world.
- The initiative of Millennium Development Goals has been an important step in creation of a strategy in providing development aid and enhancing conditions of the least developed countries in the world, which have been affected by poverty in the worst way possible. But in regard of hardly performable Millennium Development Goals, the Forum decided to constitute the negotiations to point out the questionable effectiveness of current development aid. The Forum realizes that in the last years the structure of countries on the side of donors and recipients has changed significantly. The need of establishment of a new model of cooperation and coordination is inevitable.



## Proposes

Forum recommends discussing following points:

-  The crucial problem of current provided development aid is its effectiveness. The Forum defines insufficient cooperation as a main reason of the absence of efficiency. The main principle of countries in providing development assistance is based on bilateral cooperation and it leads to uncoordinated flow of development aid to regions and countries and to collisions of interests of main donors (especially European Union, United States and China), which in conclusion cause its ineffectiveness. The Forum does not propose to increase the volume of financial capital provided by donors but to review the way how it is used. The Forum strives to promote a closer cooperation of all donors in the world with the aim to uniting them into one new international organization within the frame of UN structure. The Organization of World Official Development Aid (OWODA) would be an association of all countries which participate in development aid (donors) and of all countries receiving it (recipients). The main principle is the cooperation of donors and recipients in order to define the dominant and the most urgent needs of recipient countries (specified by recipients) with combination of definitions of key investment interests of donor countries (presented by donors).
-  The Forum would like to invite all countries in the world to join this organization. The membership of all countries could create a control mechanism of providing development aid. OWODA would become mediator between donors and recipients and set up exact rules of utilizing development aid and determine penalties and constraints for its breaking. The Forum defines that the main problem of ineffectiveness in providing development aid is on recipient's side in political instability, weak preparedness of recipient economy for investments, bureaucracy and corruption. The advantage for donor countries from cooperation of providing development aid is a guarantee of elimination of the difficulties connected with the entrance of investors to a country. The Forum strives to change the point of view on the development aid. Nowadays it is in the sole interest of recipient countries to perceive development aid from another angle. It is not an altruistic help from rich but as an investing activity of donors with the main purpose to integrate them into the global economy. The new understanding of development aid will lead to the improvement of wealth asymmetry in the world in the long term.
-  According to the previous stand-points, the Forum challenges African Union and other recipient countries to define as clearly as possible the needs of its regions. On the other hand we also challenge the donors to specify their own country's and region's preferences in their investing activities.
-  The Forum realizes that the stagnation of developing regions (especially in African continent) is not caused by the resource shortage but on the contrary by the huge amount of scarce natural resources. These are in fact not in the real ownership of a possessor country, but they are completely in the hands of an investing country. The Forum recommends to African Union to create a Committee for management of scarce natural resources, which will coordinate resource activities of investing countries in the region and will develop a common policy and set up the resource utilization rules.