

# DevPulse

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## Asia and Europe cooperate for sustainable development

Despite being typically associated with job losses, bank failures, bankruptcies and government bailouts, the global economic crisis can also be credited for at least one positive thing: it has helped intensify international cooperation.

The Philippines last April hosted the Asia-Europe Meeting (ASEM) Development Conference on Sustainable Development as part of the continuing effort of leaders from the two continents to come up with solutions to the pressing issues that affect both continents, particularly the global economic crisis and sustainable development.

ASEM is composed of 16 Asian countries, 27 states of the European Union, the President of the European Commission and the Secretary-General of ASEAN. The Manila conference was held to help identify the next steps in implementing the agreements in the Beijing Declaration. It brought together high-level officials and experts from around the world for a debate on the declaration's major themes.

Participants of the April gathering supported the "emerging global consensus that a swift recovery must be underpinned by far-reaching systemic efforts of the global economic system, particularly to ensure increased equity," which serves as a foundation for a "fair and sustainable world economy."

### More room for ASEM cooperation

In his opening remarks, Socioeconomic Planning Secretary Ralph G. Recto highlighted measures that can further improve cooperation within ASEM. For one, he urged partners to deliver on their commitments to hike development assistance to qualified nations. "Past experience shows that ODA [official development assistance] levels are easily affected by economic cycles, and since a number of economies appear to be near or at the bottom of that cycle, we are concerned that ODA from development partners such as Japan and Europe will



The ASEM Development Conference in Manila brought together high-level officials and experts for a discussion on the Beijing Declaration on Sustainable Development

become scarcer. The stimulus packages that several countries recently passed could also divert funds for ODA towards domestic spending," he explained. Secretary Recto said that while studies showed ODA levels actually increased in 2008, the Manila conference "can reassure developing countries that our development partners will indeed deliver even more in these extraordinary times."

Recto likewise reiterated the Philippine proposal for Debt-for-MDGs which could help developing countries rechannel its resources from debt repayment to programs and projects towards achieving the MDGs.

"Early this year, Germany discussed with our government the option of a debt swap for our health sector programs worth 25 million euro. We hope other bilateral partners would offer the same, and hopefully do away with conditionalities as what the Paris Declaration on Aid Effectiveness and the Accra Action Agenda called for," he said.

Increasing the use of country systems could also improve cooperation within ASEM. Recto, who also serves as Director-General of the National Economic and Development Authority, noted that despite



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*- Sec. Ralph G. Recto*

being on track with targets in ownership, alignment, improvement of country systems, managing for development results and mutual accountability, donors have not used country systems as extensively. He cited an EU-funded background study which found that ASEM developing countries have a better than average track record in setting up public financial management systems, recording aid flows, ensuring predictability and mutual accountability, and ensuring that the technical assistance they received is aligned and coordinated. Yet, he said that the study also found that the use of country systems continue to be limited.

“For aid to be more effective, we urge donors to use country systems. We also need ASEM’s support to compliment our efforts in improving in-year predictability of aid flows, untying of aid, delivery of ODA in the framework of program-based approaches, and the conduct of joint missions and analytical works with funding institutions,” he said.

**Beijing Declaration on Sustainable Development**  
The Beijing Declaration on Sustainable Development was issued during the Seventh ASEM in Beijing, China, on October 24-25, 2008, by heads of state of ASEM member countries. It was unveiled during a period of mounting uncertainty on the future prospects of the global economy as a result of the collapse of venerable financial institutions such as Lehman Brothers, coupled with the passage of the first bailout bill in the United States Congress. The signatories promised to “strengthen cooperation in a mutually beneficial manner and work towards win-win solutions” in achieving sustainable development goals despite the increasingly challenging economic landscape.

The declaration reaffirmed Asia and Europe’s commitment in achieving the Millennium Development Goals, fighting climate change and improving energy security, and promoting social harmony and cohesion through increased cooperation and dialogue among ASEM countries.

## **ASEM participants’ consensus**

ASEM countries emphasized that it is the primary responsibility of each country to achieve its own development, but at the same time, participants committed to promote an “enabling international environment.”

In terms of aid effectiveness, participants reiterated the call for increased financial assistance to developing countries especially those that help achieve the MDGs, as well as climate change targets. They also noted that the EU “confirmed its resolve to pursue its ODA target of 0.7 percent of GNI [gross national income] by 2015.” They likewise maintained their commitment to the principles of aid effectiveness in the Paris Declaration and the Accra Agenda for Action.

## **Future directions**

The global recession resulted in an unprecedented level of coordination among countries, especially on bailing out ailing institutions, cutting interest rates and reforming the global regulatory environment. The crisis highlighted the benefits of increased dialogue and coordinated action and reinforced the notion that individual countries and economies, regardless of their make-up, share a common destiny. Participants promised to further analyze, debate and discuss the issues raised in the Beijing Declaration in future discussions, especially in issues related to climate change, finance, sustainable production and consumption, and capacity building.

The two-day conference in Manila served as a venue for ASEM member countries to discuss possible solutions and areas for cooperation to address both short-term and long-term challenges. It allowed them to identify bottlenecks and raise issues that may be discussed in future meetings and summits. The fate of the global economy remains uncertain, but through regional meetings such as ASEM, countries will be able to build a blueprint for coordinated action that will help promote not just the welfare of individual countries and economies, but of the global community as well.