

Joint meeting of the General Assembly and ECOSOC - Preparatory meeting for the 2015 DCF Republic of Korea High-level Symposium

“A renewed global partnership for development and successor arrangements to MDG8”

New York, 30 October 2014, 10:00 a.m. - 1:00 p.m.

BACKGROUND

The joint meeting of the 2nd Committee of the General Assembly and the Economic and Social Council ECOSOC generated key messages for the discussions on a post-2015 development agenda, including in the run-up to the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015). The meeting also launched preparations for the DCF Republic of Korea High-level Symposium, *“Development cooperation for people and planet: What will it take?”* (Incheon, 8-10 April 2015).

The meeting revealed a shared ambition to support a transformative agenda – and the fundamental change of mindset that will be required. Presentations by senior officials and leading experts were intermixed with lively discussion among panelists, delegates and stakeholders from civil society and private sector.

KEY MESSAGES

- ❖ *There is a strong shared interest to renew the global partnership for sustainable development, in a way that engages all stakeholders and brings greater capability to address common challenges.*
- ❖ *To ensure country leadership, international resources and efforts must be aligned with developing countries’ priorities and support the strengthening of national capacities.*
- ❖ *Focusing on the poorest people and the multidimensionality of poverty provides a way to overcome the false dichotomy between poverty eradication and sustainable development and to achieve better development results.*
- ❖ *This in turn has a range of implications for how to allocate and program ODA and how to look, qualitatively, at all sources of finance and forms of development cooperation.*
- ❖ *There is a need to overcome political, conceptual and practical challenges to find a coherent approach to the commitments from the Monterrey and Rio tracks, and to remove obstacles to unified streams of financing and other means of implementation (MOI) at country level.*
- ❖ *Targets on MOI may need to be more specific, ambitious and yet more narrowly and strategically focused on key enablers for development, which go beyond MOI to address the systemic issues and rules of the game of the global economic and financial system.*
- ❖ *The value added of the renewed global partnership for sustainable development will depend on the effectiveness of mutual monitoring, review and accountability for development results at all levels.*

SUMMARY OF DISCUSSIONS

In his keynote address, H.E. Mr. Shin Dong-ik, Deputy Minister for Multilateral and Global Affairs at the Ministry of Foreign Affairs, Republic of Korea, introduced the upcoming DCF High-level Symposium, to be held on 8-10 April 2015 in Incheon. As the first of three symposiums in the 2014-2016 cycle of the DCF, the meeting on *“Development cooperation for people and planet: What will it take?”* will discuss how development cooperation can support the implementation of the post-2015 development agenda at all levels. It will among others examine ways to bring together commitments on financing and other means of implementation, how to allocate ODA post-2015 more effectively and practices to strengthen non-financial development cooperation. The symposium will serve as a vital stepping stone for the Third International Conference on Financing for Development and consequently the post-2015 summit at the United Nations.

1. Renewing the global partnership for development to address common challenges

Valuable lessons can be learned from the experience with MDG8. Unfulfilled promises were the weakest aspect of the MDG experience, despite important efforts made by individual actors. A transformative post-2015 development agenda will require international support of far greater scale and scope. Unprecedented levels of financing and other means of implementation will be required, domestic and international, public and private. This calls for greater willpower and passion for cooperation and greater capability to address common challenges, under a renewed global partnership for sustainable development.

While the mobilization of additional resources will be critical, the global partnership for sustainable development has to go beyond resource mobilization. It needs to put intensified focus on technology and capacity building. It needs to address systemic issues, particularly the rules of the game and shortcomings of the global economic order. It should provide an enabling environment for all stakeholders, based on ownership, shared responsibility and mutual trust. It should also support stakeholders to improve the effectiveness of international development cooperation.

A renewed global partnership for sustainable development should be a primary focus of preparations for the Third International Conference on Financing for Development, to be held in Addis Ababa, Ethiopia, in July 2015, and for the ongoing post-2015 discussions. Expectations for a strong Addis outcome are growing, in connection with the negotiations for the United Nations summit on development in September 2015 and, ultimately, the agenda’s prospects of having a real transformative impact, measured in lasting development results for people.

2. Strengthening country leadership and ownership of development cooperation

With the proliferation of actors in international development cooperation, the role of the national government is vital as ever and was central to the debate. The state and duty bearers have a distinct and critical role to play and must have country leadership and ownership of international development cooperation. Developing countries and their partners in development cooperation need to identify how international resources and efforts can be best aligned with national priorities.

Strengthening national and local institutions must be part and parcel of efforts to strengthen national and local ownership and leadership. In this spirit, priority should be given to domestic partners to unlock local capacities. Structural deformities and imbalances in existing processes must be overcome. Countries that own their national development strategy and have policies in

place to align the work of external and private sector actors to country priorities will be more successful in achieving greater independence of external financial and non-financial resources.

3. Making development cooperation an integrating force for sustainable development by targeting the poorest people and the multidimensionality of poverty: the role of ODA

Seventeen per cent of people in developing countries live in extreme poverty. 96 per cent of the poorest people live in countries that are environmentally vulnerable or politically fragile or both. In a world marked by overlapping vulnerabilities and increasing inequalities, both among and within countries, achieving sustainable development and leaving no one behind requires a disciplined targeting of poverty in all its dimensions.

Panelists and participants actively debated a proposal on how Official Development Assistance (ODA), as a distinctive source of international public finance, could best contribute to all aspects of a broader and more ambitious post-2015 development agenda. The proposal entailed targeting ODA to the poorest 20 per cent of people in developing countries, as a way to incentivize ODA allocations that could underpin and drive poverty eradication and the transition to sustainable development. It would mean refining the objective of ODA, from promoting economic development and welfare at the national level, to targeting benefit for the poorest people in developing countries. Such an approach to ODA allocation would be meant to incentivize the provision of appropriate assistance that considers: the scale, nature and causes of poverty and the inextricable link of poverty eradication to promoting sustainable development; vulnerabilities and risks that the poorest face; access that the poorest have to public services and economic opportunities; and resources and capacity of domestic institutions.

More ODA should be devoted to assist countries with the mobilization and effective use of domestic resources. Least developed and vulnerable countries will continue to rely on ODA to close financing gaps for some time. In less aid dependent countries, ODA can also play an important role in overcoming technical and capacity challenges, without necessarily involving a large transfer of resources.

Research has shown that development agencies that have an explicit mandate to reduce poverty allocate over 80% of their ODA to countries with an above-average poverty rate. The challenge is to use the right ODA modalities in the right context and to target those people living in extreme poverty as a way to overcome the false dichotomy between poverty eradication and sustainable development and to achieve better development results.

4. Finding a coherent approach to financing and other means of implementation

There was a strong sense that political, conceptual and practical challenges to find a coherent approach to the commitments from the Monterrey and Rio tracks on financing and other means of implementation (MOI) must be overcome. At the country level in particular, the financing streams need to come together and be integrated. As efforts are stepped up to mobilize financing and other MOI, there was consensus that existing mechanisms should be used. The creation of parallel structures and systems – resulting in higher transactions costs and challenging the use of country systems – should be prevented.

Research, such as the recent report of the Global Commission on Economy and Climate Change has shown that tackling climate change is tackling poverty and promoting growth, irrespective of the global climate benefits. Yet, the debate emphasized the need to better understand where and to what degree the impact of development finance and climate finance

overlap in different cases. There may also be need to maintain a distinction between development and climate finance at the sources, in order to account for different types of commitments and to ensure the additionality of climate finance.

The following six practical steps were suggested to help bring the Monterrey, Rio and climate change tracks closer together: (a) eliminating environmentally harmful subsidies; (b) putting a price on environmental externalities; (c) capitalizing the Global Climate Fund and realizing the Copenhagen Accord; (d) committing to the use of country systems; (e) moving to natural capital accounting by countries and integrated reporting by the private sector; and (f) strengthening partnerships aimed at tackling development and climate change together.

While there are certain investments that only public funding can achieve, it will be critical to explore for which parts of the post-2015 development agenda and in which country contexts the different actors from the private sector can take on a greater role.

5. Making mindset shifts and effective mutual monitoring, review and accountability for results at all levels, local to global

The value added of the renewed global partnership for sustainable development will depend on the effectiveness of mutual monitoring, review and accountability for development results at all levels. The post-2015 development agenda should be used to help spur a mindset shift to focus less on inputs than on achieving sustainable development outcomes, especially for the poorest. Existing monitoring and accountability frameworks at all levels must not only be broadened but also pragmatic, flexible and more firmly built on local systems, as the primary locus of both action and accountability.

Members of parliament, local governments and citizens have an integral role to play in promoting domestic and, in extension, mutual accountability for the international development cooperation commitments post-2015, both financial and non-financial. Challenges and needs of rights holders must drive local action, to provide targeted services, address bottlenecks in the absorption and effective use of resources, ensure participatory monitoring and review of commitments and results, and strengthen mutual learning and knowledge sharing for better development results.

Means of implementation are addressed by 62 targets across the report of the Open Working Group on Sustainable Development Goals, including 19 targets under SDG 17. Yet, to ensure traction and ultimately impact, targets may need to be more specific, more ambitious and yet more narrowly and strategically focused on key enablers for development. The targets need to be part of a strengthened global partnership for sustainable development and put greater focus on key enablers for development, such as technology transfer, mutual learning, systemic issues and rules of the game of the global economic and financial system. Partnerships can play a transformative complementary role.

The Third International Conference on Financing for Development in Addis Ababa, Ethiopia (13-16 July 2015) is expected to be a milestone in forging consensus on a renewed global partnership for sustainable development, underpinned by a holistic and comprehensive financing framework. Member states should seize the opportunity to consider how existing structures and processes can help review and strengthen the global partnership for sustainable development.