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President: Mr. Sajdik (Austria)
later: Mr. Drobnjak (Vice-President) (Croatia)

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The meeting was called to order at 10.10 a.m.

Development Cooperation Forum (E/2014/77)

Opening statements

1. **The President** said that the Development Cooperation Forum was a vital part of the strengthened Council, which, as the principal United Nations organ for coordination and policy formulation on sustainable development, served as a platform for collective action on implementing the Millennium Development Goals (MDGs) and working to formulate the post-2015 development agenda. The Development Cooperation Forum sought to find inclusive solutions to the multiple dimensions of poverty through vibrant, open dialogue and the sharing of experience, guided by analysis of recent trends.

2. Throughout the two-year preparatory process for the 2014 Development Cooperation Forum, the Council's approach to post-2015 development cooperation had been geared towards supporting Member States and other stakeholders in identifying and addressing opportunities for expanded and more effective cooperation. Development cooperation would play a significant role in supporting the implementation of the post-2015 development agenda, provided that it was able to adapt in a timely manner to new requirements. While it remained critical for Member States to work towards the Organization's target of 0.7 per cent official development assistance (ODA) to gross national income, ODA commitments, even if met, would still fall far short of what was needed to support implementation of the global development agenda. There was therefore a need to explore other sources of funding, including domestic resource mobilization, a renewed global partnership, and business sector participation. Financing for development and means of implementation should not be discussed in silos; a renewed global partnership for development must bring together the Monterrey and Rio tracks on financing for development and means of implementation, taking the Monterrey Consensus as a starting point.

3. In the post-2015 development agenda, the Development Cooperation Forum would be well positioned to review the development cooperation aspects of a renewed global partnership for development, as well as progress in national mutual accountability and transparency. He hoped that the third International Conference on Financing for Development, to be held in

July 2015, would enable stakeholders to decide on a single financing framework for the new agenda and a renewed and more robust global partnership for development. He urged participants to exchange views during the Development Cooperation Forum on how such a framework and partnership could work in practice and, in so doing, to provide key inputs for the forthcoming development agenda.

4. **Mr. Wu Hongbo** (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on trends and progress in international development cooperation (E/2014/77), said that at a time when a fundamental reorientation of global development efforts was under way, development cooperation must also be reoriented to meet the evolving development challenges. While ODA remained a critical source of development finance, having reached its highest-ever level in 2013, with US\$ 134.8 billion in net disbursements, that amount represented 0.30 per cent of the combined gross national income of Development Assistance Committee donors. The share of ODA flows to the least developed countries had declined in recent years, falling to 0.09 per cent of the gross national income of Committee donors, compared with the United Nations target of 0.15 to 0.20 per cent. Sector-wide and programme-based efforts to improve aid effectiveness had shown good results. However, the conditions attached to ODA delivery remained too numerous and detailed in certain cases. Achieving the unfinished MDGs and implementing an ambitious post-2015 development agenda required a mix of sources of development finance, including public and private, international and domestic resources.

5. Development finance beyond ODA, while a necessity, came with challenges. Low-income countries continued to face difficulties in raising public revenues. If successfully implemented, innovative development financing mechanisms could generate significant predictable long-term funding. Foreign direct investment remained the largest external source of private financing in developing countries, but effective public policies were needed to ensure that it benefited strategic sectors. South-South cooperation, which represented a growing proportion of global development cooperation, could only complement North-South cooperation and should not be expected to substitute it.

6. Amidst persisting resource constraints, effective use of resources was crucial. For instance, ODA could be better targeted than other sources to help ensure inclusive access to public services, leverage other sources of development finance and improve the targeting of private flows. The report of the Secretary-General reflected a wealth of perspectives from multiple stakeholders who had contributed to the preparatory process. There had been repeated calls for the target of 0.7 per cent ODA to gross national income to be met. Even if past ODA commitments were met, those resources alone would still fall far short of what was needed to support implementation of the global development agenda. However, beyond its financial value, meeting ODA commitments would build the trust of other development actors to engage in a renewed partnership for development.

7. Development cooperation should be more flexible and should take into consideration the varying needs and priorities of countries at different stages of development. Providing incentives for all actors, including the private sector, would be critical to the implementation of the post-2015 development agenda. A renewed global partnership for development should be agreed intergovernmentally and engage the full range of development partners; it should focus on eradicating poverty and putting the world on a more sustainable development path, and should incorporate effective and gender-sensitive monitoring and accountability, mutual learning and trust. Parliamentarians were essential to ensuring the engagement of citizens and scrutiny of the private sector. The existing global network of supreme audit institutions could be activated to support the monitoring of effective development financing.

Keynote addresses

8. **Mr. Wu Hongbo** (Under-Secretary-General for Economic and Social Affairs), speaking on behalf of the Secretary-General, said that the Organization was in the process of developing a transformative post-2015 agenda that would aim to complete the unfinished business of the MDGs and place the world on a more sustainable path. Development cooperation would remain central to the new agenda, but it would have to evolve in order to succeed. The Development Cooperation Forum could help shape that emerging future. While past ODA commitments would remain critical beyond 2015, ODA alone would not meet the

additional financing needs for the post-2015 agenda. It would therefore be necessary to explore new ways to raise additional resources, public and private, domestic and international, and to focus on their effective use. The Organization would continue to help the countries and peoples lagging farthest behind, but the new, unified and universal post-2015 development agenda required developing countries at all stages to be supported with the transition to sustainability. As countries moved up the development ladder and became less dependent on aid, cooperation must match their needs by shifting to capacity-building and knowledge-sharing. Much more needed to be done to optimize technology, including by developing innovations, spreading knowledge and transferring technology. Moreover, greater cooperation on more open trade was needed to create jobs and contribute to sustainable development. In an era of multi-stakeholder partnerships, greater private sector engagement and cooperation within and among regions, it was essential for Governments to ensure that they coordinated their aid decisions with their broader international policies, in order to promote both development and stability.

9. The four essential building blocks of the post-2015 development agenda were a far-reaching vision with a compelling narrative; a set of concise goals and targets; a renewed global partnership for development; and a framework for review, monitoring and accountability at all levels. He looked to the Development Cooperation Forum to advance discussions on the global partnership for development in order to implement the agenda and on the review framework. Against that backdrop, he asked participants to consider how a post-2015 financing framework could work in practice; how greater coherence could be brought to the discussions on means of implementation and a holistic framework for development financing; and lastly, how actions could be better tracked, and trust and mutual learning fostered, so that commitments would be met, resources optimized and results ensured.

10. The outcome of the Development Cooperation Forum, which would be reflected in his forthcoming report on the ongoing work on a post-2015 development agenda, would contribute to the preparations for the third International Conference on Financing for Development in 2015. As it explored how to change the way it operated in order to carry out a universal, integrated development agenda, the United

Nations counted on the Development Cooperation Forum to help steer it so that it could better meet the needs and aspirations of the world's people.

11. **Mr. Chambers** (Institute for Development Studies, University of Sussex, United Kingdom) said that part of the problem facing development cooperation was that power relations went hand in hand with funding, a fact that distorted many relationships. Nevertheless, it was an exciting time to be working in development cooperation. The MDGs had presented a key opportunity by articulating the idea of a universal, unified set of agreements and, in particular, the notion that inequalities within and between countries should be monitored and, if possible, reduced. Change was also accelerating in virtually every dimension, including in the area of communications and ways of working, and in the lives of poor people. Furthermore, new developments in development cooperation, such as the existence of rising Powers, South-South cooperation and new relationships between Development Assistance Committee members and funding beneficiaries, were opening up new possibilities. Instances of cooperation between developing countries were especially encouraging, in that they were not associated with power relations. South-South cooperation must seek to avoid the power dynamics and distortion often associated with North-South cooperation.

12. One of the major challenges for development cooperation was the hypocrisy that existed in the way language was used, and the existence of myths and misperceptions concerning relationships, especially funding relationships. Speaking truth to power rarely happened in vertical funding relationships; as a result, the information reaching those with power was usually distorted. In addition, gradual changes in the development cooperation field since the 1990s had resulted in a paradigm shift. Whereas poor people had been primary stakeholders two decades earlier, language and ways of working now focused on things rather than people. That mechanistic, Newtonian approach worked reasonably well with large infrastructure but was misapplied in other contexts. For example, the terms used in the Paris Declaration on Aid Effectiveness, such as “monitor”, “indicators”, “effective”, “performance”, “capacity”, “measure”, “assess”, “report” and “results” were as telling as those not used, such as “agreement”, “evolve”, “negotiate”, “power”, “relationship”, “poor”, and “people”. The

gradual change in the language reflected a change in realities and in relationships among stakeholders. He also had grave reservations about such concepts as “payment by results” and the use of the verb “deliver”, which implied “supply” when participatory interaction and flexibility were what was needed. The way forward would require an approach based on trust, transparency and truth.

13. The Development Assistance Committee should commission an independent study on the impact at the grass-roots level of the conditionalities attached to aid, which were often problematic. Another pitfall was that many in the development cooperation field lived in capital cities and spent little time in poor communities. In order to remedy the disconnect, he recommended a number of books and studies, including “Time to Listen”, which included 6,000 interviews with recipients of aid. They had indicated that assistance was too time-bound and that onerous procedures and reporting reduced its effectiveness; they also called for more direct, face-to-face relationships with donor agencies.

14. In conclusion, a number of elements must be considered in order to engage effectively with the issues facing the development cooperation community. First, the concept of partnership should be examined, or replaced with a focus on relationships, since the term was often used as a euphemism for an exchange in one direction only. Second, the very limiting nature of procedures might need to be addressed by radical simplification, which could be achieved on the basis of trust and increased personal contact. Third, the oft-neglected personal dimension must be given primacy, given that in development cooperation, an individual was behind every positive development. Care should be taken to recruit people with the ability to listen, not just to talk, and grass-roots immersion was required. The trend towards downsizing should be reversed and more quality staff should be hired; passion, conviction and courage were also needed. Lastly, the privilege, which he and all other participants shared, of being engaged in a hugely important enterprise with vast potential for human well-being, served as a potent point of departure for action. However, perhaps the most important strategy of all was to ask questions and to listen.

15. **Ms. Caro Hinojosa** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the Development Cooperation Forum

was an important venue for global dialogue and policy review on international development cooperation and could enable broader participation by key actors. The report of the Secretary-General (E/2014/77) offered useful recommendations for enhancing development cooperation.

16. The recent financial and economic crisis had reversed development gains in developing countries and seriously undermined the achievement of the MDGs by 2015. Developing countries continued to experience a net outflow of financial resources, affecting their ability to mobilize resources for achievement of the MDGs and implementation of the post-2015 development agenda and sustainable development goals. The international community must provide more permanent, stable and predictable resources that were concessional and conditionality-free, especially for the most vulnerable and least developed countries.

17. It was essential to mobilize adequate resources for developing countries from all available funding mechanisms, including multilateral, bilateral and private sources, to overcome the impact of the recent crisis and achieve sustainable development. Developed countries must fulfil their commitments in support of national efforts to achieve the sustainable development goals. Strengthened and renewed partnerships for development that recognized national leadership and ownership of development strategies should be a guiding principle of all United Nations activities, including at the country level. The United Nations system, the Bretton Woods institutions and bilateral donors should align their cooperation programmes with national development strategies. At the same time, the Development Cooperation Forum should not be used for specific agendas pursued outside the United Nations framework. Best practices and principles for enhancing international development cooperation should be discussed and decided upon by all Member States in an inclusive and transparent manner.

18. A sound implementation mechanism for the post-2015 agenda was needed to ensure development resources. Development financing for technology transfer mechanisms and capacity-building should be intensified. The Group encouraged technology cooperation among the countries of the South and awaited with interest proposed options for the technology facilitation mechanism.

19. The Development Cooperation Forum should focus on priority issues based on practical outcomes that could lead to concrete results. Mutual accountability, aid transparency, South-South cooperation, triangular cooperation and aid policy coherence should be thoroughly discussed, with a view to moving from aid to more long-term sources of development financing. South-South cooperation was a dynamic and growing process that was vital to confront the challenges faced by developing countries. However, it should not and could not replace North-South cooperation. The North had an obligation to fulfil its commitments through North-South cooperation, and it was also in its interests to do so.

20. South-South and triangular cooperation should be integrated into the policies and strategic framework of the United Nations funds and programmes. They should be strengthened through the system-wide provision of additional resources, including financial and human resources, to the United Nations Office for South-South Cooperation, which, though currently hosted by the United Nations Development Programme, constituted a separate entity with a distinct legal nature.

21. As part of the MDGs, a commitment had been made to develop a global partnership for development. However, there had been a significant shortfall in the implementation of commitments to that partnership under the Goals, with many goals and targets going unmet as a result. All commitments under the global partnership for development must be implemented urgently, in order to overcome the gaps identified in the latest report of the Millennium Development Goals Gap Task Force.

22. Leaders of the developed countries were urged to negotiate and commit to a new phase of international cooperation through a strengthened global partnership for development that would serve as the centrepiece and anchor for the sustainable development goals and the post-2015 development agenda. Issues covered by the enhanced global partnership should include the provision of financial resources to developing countries; ODA; debt relief and restructuring; trade; technology transfer; and greater participation by developing countries in global economic governance.

23. New, additional financial support to developing countries was key to achieving the unfinished business of the MDGs and implementing the sustainable development goals. It was important to strengthen the

global partnership for development based on quantified and time-bound targets, consistent with Goal 8 of the MDGs and in accordance with the principle of common but differentiated responsibilities in the post-2015 development agenda.

24. Poverty eradication must remain the central and overarching objective of the post-2015 development agenda, which should reinforce the commitment of the international community to eradicate poverty by 2030.

25. **Ms. Ruin** (Observer for Costa Rica), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that while an effective financing strategy for sustainable development would require the mobilization and effective use of new and additional financial resources, both public and private, domestic and international, the role of ODA in achieving internationally agreed development goals remained central. ODA would leverage and sustain development financing in developing countries under the post-2015 development agenda. ODA would remain crucial for least developed countries and should also support middle-income countries as they tackled structural gaps and barriers and built the institutional frameworks needed for economic growth, good governance and investment.

26. The proposed redefinitions of the methodology for measuring ODA gave cause for concern. While there was value in using clear, quantitative criteria, such changes could statistically inflate the volume of ODA with smaller donor effort than would be needed to meet the internationally agreed target of 0.7 per cent of gross national income. ODA had specific objectives and responded to the historical responsibility of donors to support development in developing countries. It should also help to catalyse foreign direct investment and support developing countries in creating a national and international enabling environment that promoted economic growth, employment, access to international markets, technology transfer, transparency and accountability.

27. South-South cooperation could contribute to national well-being, enhance self-reliance and facilitate the attainment of internationally agreed development goals. It could also enable developing countries to play a more active role in international policy and decision-making in support of efforts to achieve sustainable development. South-South cooperation and the agendas that emanated from it must be set by the countries

of the South and should be guided by the principles of inclusiveness, respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit. The increasing role that countries of the South were playing in development cooperation should not serve as an excuse for traditional donors to diminish their efforts. Cooperation between developing countries must not be evaluated using the same standards as those used for North-South cooperation, which was considered official development assistance. South-South cooperation was not a panacea for the challenges facing developing countries.

28. A truly global development partnership must be established, building upon the Monterrey Consensus, the Doha Declaration on Financing for Development and the outcome document of the United Nations Conference on Sustainable Development (Rio+20), entitled "The future we want" (General Assembly resolution 66/288, annex). The partnership should integrate all the development agenda issues to be covered at the third International Conference on Financing for Development. A global partnership for development could only be effective with an international enabling environment involving the reform of governance mechanisms for international financial institutions and the enhancement of coherence, consistency and coordination of the international monetary, financial and trading system. Strong political will from all partners was required, as well as strengthened commitments from developed partners to provide international cooperation and sufficient policy space to developing countries. There must be a focus on eradicating inequality among and within countries.

29. The post-2015 development agenda must include a well-designed framework to turn promises into effective commitments and include a limited number of goals, targets and indicators. Goals related to global public goods with quantitative, time-bound targets covering trade, investment, migration, technology, the environment and global institutions were relevant in that regard.

30. **Ms. Albán** (Colombia) said that the international discussion on the new development agenda made it necessary to reconsider both the role of middle-income countries and the commitment of developed countries. Issues of interest being discussed internationally and regionally included the classification of middle-income

invited representative of the non-governmental organization North-South Institute.

31. It was important to establish mechanisms to coordinate the actions of various regional and global bodies that were setting the development agenda. In Latin America and the Caribbean, there were a number of bodies addressing issues related to development cooperation. Those venues could be used for international discussion. It was important to include developing countries in the process and not take only the interests of donor countries into account.

Session 1: “Advancing a unified and universal development agenda”

invited representative of the non-governmental organization North-South Institute.