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Summary record of the joint meeting of the Second Committee and the Economic and Social Council on "A renewed global partnership for development and successor arrangements for Millennium Development Goal 8"

Held at Headquarters, New York, on Thursday, 30 October 2014, at 10 a.m.

Co-Chair: Mr. Cardi (Chair, Second Committee) . . . . (Italy)
Co-Chair: Mr. Oh Joon (Vice-President, Economic and Social Council). . (Republic of Korea)

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

Introductory remarks

1. **Mr. Cardi** (Co-Chair) said that during its high-level segment in July, the Economic and Social Council had provided guidance on the complex issues surrounding the global partnership for development and successor arrangements for Goal 8 of the Millennium Development Goals (MDGs). The Second Committee would carry forward the work of the Council. Consultations among Governments and a wide range of stakeholders from civil society to the private sector were giving shape to the new agenda to be adopted at the United Nations Summit for the adoption of the post-2015 development agenda scheduled to take place in New York, in September 2015. The magnitude of the visionary post-2015 framework required a comprehensive implementation strategy.

2. It was imperative to establish a new global partnership for development, building on lessons learned in the implementation of Goal 8, and also moving beyond them. The partnership should overcome the old dichotomies and introduce a paradigm shift based on the key principles of ownership, shared responsibility, respective capacities, mutual trust, transparency and accountability.

3. The global partnership should engage all countries in accordance with their respective roles and responsibilities, while promoting cooperation and multi-stakeholder engagement. It should be conceived as a platform for mobilizing resources, knowledge and capabilities, public and private, domestic and international. The interaction between national policies, domestic resources and external public and private financing deserved special attention.

4. The process leading up to the Conference on Financing for Development in Addis Ababa in July 2015 and other United Nations and international processes could help define the global partnership. The Open Working Group on Sustainable Development Goals had provided guidance on means of implementation as part of the proposed set of sustainable development goals. The Intergovernmental Committee of Experts on Sustainable Development Financing had put forward options for mobilizing the necessary financing and other means of implementation to support the post-2015 development agenda. As part of that process, and in preparation for the 2016 Development Cooperation Forum, the Republic of Korea and the Department of Economic and Social Affairs would organize a High-level Symposium in the Republic of Korea in April 2015. The Symposium would advance the discussion on the role of development cooperation in the implementation of the post-2015 agenda.

Presentation on "A renewed global partnership for development and successor arrangements for Millennium Development Goal 8"

5. **Mr. Shing Dong-ik** (Ministry for Foreign Affairs, Republic of Korea) said that the importance of the Development Cooperation Forum in the post-2015 context could not be overemphasized. The Forum was the global multi-stakeholder venue for policy dialogue on development cooperation that engaged all relevant stakeholders. It had attracted a remarkably high-level and diverse group of experts to promote greater effectiveness and inject new momentum into the post-2015 agenda. It had offered a new development cooperation narrative that included more and better official development assistance (ODA) in the form of effective mobilization and use of development resources. The narrative highlighted policy coherence and identified renewed global partnership as vital to successful implementation of the next development agenda.

6. The theme of the present meeting was highly relevant to the achievement of the new goals and to the High-level Symposium scheduled to take place in April 2015, in preparation for the 2016 Forum. Hosted by the Government of the Republic of Korea, the Symposium would draw international attention to development cooperation at the height of intergovernmental negotiations on the post-2015 development framework and prior to the International Conference on Financing for Development. The Symposium aimed to facilitate discussion on how development cooperation could support and harmonize collective efforts towards realizing the next development agenda. Eventually, such discussion would lead to further consideration of key issues, such as effective means of implementation, forging an inclusive global partnership, strengthening the monitoring and accountability framework and mobilizing unprecedented levels of resources. Close consultation between the Republic of Korea and the Department of Economic and Social Affairs would

determine the main theme of the Symposium, which was expected to capture all significant discussion points and raise awareness among relevant stakeholders.

7. The Government of the Republic of Korea had consistently focused on how the international community could effectively implement the goals and targets of the post-2015 development agenda. Effective mobilization and use of both existing and innovative resources to maximize development effectiveness were important issues. The building blocks of the post-2015 agenda should include a renewed, inclusive and strengthened global partnership and a participatory monitoring and accountability framework. The global partnership aimed to create an enabling environment at the national and global levels and to improve effectiveness by engaging the private sector, parliaments, academia and civil society, as well as Governments. The renewed partnership would evolve with the changing development landscape and take into account the emergence of various development partners to bring about truly transformative changes.

8. The success of the agenda would depend in part on establishing and maintaining an effective participatory monitoring and accountability framework. In that regard, the high-level political forum on sustainable development would prove a useful platform in monitoring and reviewing progress as well as holding development actors to account. Effective coordination between the high-level political forum and other accountability processes such as the Global Partnership for Effective Development Cooperation would help to avoid duplication, generate synergies and contribute to mutually beneficial partnership in the post-2015 era. The Global Partnership could form the basis of such a framework in the post-2015 era. Its findings and analysis could be widely shared with other relevant global monitoring platforms. The Development Cooperation Forum could play a guiding role in establishing practical approaches to a renewed global partnership, a strengthened accountability framework and the provision of political leadership in development cooperation.

9. The Republic of Korea would remain a principal contributor to that activity by hosting the 2015 Symposium. By inviting Governments and key development partners, the Symposium would seek to collect diverse views and provide critical inputs to the intergovernmental negotiations on the post-2015 agenda. Member States and other development partners were thus requested to step up participation. The Republic of Korea had, over the past five years, recorded the highest rate of increase in ODA among members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), which it had joined in 2009. The Republic of Korea hoped to become a vital bridge between developed and developing countries and to improve the quality of its ODA by actively participating in the discussions on global ODA governance. It had taken initiative with regard to the Seoul Development Consensus for Shared Growth as Chair of the Group of 20 (G20) Summit in 2010. It had hosted the 2011 Fourth High-level Forum on Aid Effectiveness in Busan, Republic of Korea, and taken a leading role in launching the Global Partnership for Effective Development Cooperation in 2012. It would host the annual Global Partnership workshop in Seoul in November 2014.

10. Hosting the 2015 High-level Symposium was in line with the commitment of the Republic of Korea to global ODA governance. The country had made continuous efforts towards the successful establishment and institutionalization of the Global Partnership. The principles of the Global Partnership, which were enshrined in the outcome document of the Forum held in Busan, and included national ownership, a focus on results, inclusive development partnerships, transparency and mutual accountability, could serve as a useful reference for the Forum.

11. The time had come to focus on the importance of political leadership and commitment, and to rally the intellectual capacities of development actors to build a global consensus on the post-2015 development agenda in the lead up its adoption in September 2015. The Symposium would offer an opportunity to refine the promises of the post-2015 development agenda and to reaffirm the commitment of Member States to a coherent development policy approach for an ambitious, inclusive and transparent post-2015 agenda.

Panel discussion

12. **Ms. Adams** (Moderator) said it was generally agreed that Goal 8 was not fit for purpose. The problem of unfulfilled commitments had been described by the United Nations System Task Team on the Post-2015 United Nations agenda as possibly the weakest link in the MDG chain. The MDG Gap Task

Force report examined failures relating to ODA, trade, investment, debt and technology transfer.

13. The report of the Secretary-General on a life of dignity for all (A/68/202), which had also expressed concern with regard to unmet commitments, included means of implementation in one of the four building blocks for shaping the post-2015 agenda and identified possible transformative approaches for multi-stakeholder partnerships as a supplement to implementing a global partnership for development.

14. The criticism voiced by civil society organizations from the beginning with regard to Goal 8 had in fact helped to shape it. Goal 8 had been added as an afterthought to the first seven goals announced in 2000, based on OECD approaches to development goals at the time. A number of civil society organizations were sympathetic to the importance attached to means of implementation in the sustainable goals discussion of the Open Working Group and were working on the inclusion of strengthened approaches to means of implementation. The targets of proposed goal 17, which referred to the global partnerships for sustainable development, were being examined closely by various organizations, the United Nations system and Member States. Of the 62 targets, 19 were under goal 17. However, most of the targets thus far were already agreed language and did not appear fit for purpose.

15. **Mr. Coppard** (Development Initiatives) said that the MDGs represented an unprecedented international agreement to pursue global progress on poverty eradication and social well-being. The new, emerging approach was broad, holistic and ambitious. Whereas the MDGs had aimed to halve poverty, the new goal aimed for zero poverty, leaving no one behind. As a first step, the new goals aimed to end US$1.25-a-day poverty by 2030, and then, over the long term, to end poverty everywhere, in all its forms. That was a serious challenge, as it would become increasingly difficult to reach those ever deeper in poverty. Another shift in the new goals was from an aid-led agenda to an all-resources agenda. MDG financing had been focused around ODA, suggesting that development outcomes could be bought. The post-2015 agenda recognized both the scale of the challenge and the multiple resources and actors needed to address it.

16. The new agenda represented a shift from separate development and environmental agendas to a single, unified framework, with coordinated implementation. The implication of those shifts was that ODA must focus ruthlessly on poverty. Spread too thin, it would not work to its comparative advantage as the only financial resource that could be exclusively directed against poverty. By focusing on who and where the poor were and on the drivers of their poverty, ODA could also address concerns of sustainability and political and environmental fragility. ODA was not homogeneous, but consisted of a broad range of tools and modalities. The challenge was to use the appropriate tool for each context.

17. ODA was much better at targeting poverty than were other sources of international financing. Compared to other types of aid, larger volumes of ODA went to countries with large volumes of poverty. Foreign direct investment (FDI) was three times the size of ODA, but two thirds of it went to only 10 countries. However, targeting of ODA was still far from perfect. While most of the largest recipients of ODA were countries with large numbers of people or large proportions of the population living in poverty, there were countries without such poverty that nevertheless received significant amounts of ODA. And in countries where poverty was highest, ODA per poor person was in fact lowest. ODA was less than $100 per poor person per year in 20 countries, yet those same countries accounted for more than 75 per cent of the world’s poor people. In 33 countries that accounted for just 1 per cent of the world’s poor, ODA was equal to $1,000 per poor person per year. With regard to the depth of poverty, meaning how far below the poverty line people were, ODA per poor person was lowest where poverty was deepest. For example, in the Democratic Republic of the Congo, where 88 per cent of the population lived in poverty, the average income was less than half of the $1.25-per-day poverty line, and ODA was just $44 per poor person per year.

18. However, donor agencies with a formal mandate to end poverty targeted their ODA more effectively towards the poorest countries as compared to agencies that lacked such a mandate. Thus, establishing poverty elimination as a mandate of ODA could greatly improve targeting of development assistance.

19. The extent to which Governments could find the capacity and the private sector could mobilize for impact on the poorest people would be key to achieving the post-2015 goals. There was a need to work with other resources as well as ODA. Developing

countries' combined domestic government expenditures on poverty eradication were over $6 trillion, more than three times the flows of international resources to developing countries for that purpose. More than half of developing countries had seen such spending grow at 5 per cent or more per year since 2000. However, 83 per cent of the global poor lived in places where spending was less than $1,500 per capita per year — the equivalent of $4 per day per person. One third of the world's poor lived in countries where Governments spent less than $500 per capita per year on poverty eradication. ODA should have a role to play, but current allocations were skewed towards countries with greater domestic resources. ODA per poor person was lower in those countries where government spending per person was lower. Countries where domestic resources were lowest would experience the slowest growth in domestic resources targeting poverty over the next 15 years, such that national institutions in those countries might not be able to finance post-2015 goals. In those countries, ODA allocation needed to prioritize mobilization and effective use of domestic resources.

20. ODA also had a role to play in countries where resources were growing more rapidly. The challenge in those countries was to broaden and deepen existing services. ODA could play an important role in countries where constraints were more technical than financial. That might not require large-scale resource transfers. The key was targeted cooperation. It was necessary to recognize, in working with various partners, cases in which different types of ODA would be most effective. Interestingly, 96 per cent of people in poverty lived in countries that were either politically fragile or environmentally vulnerable. Nearly 260 million people in poverty lived in 13 countries classified as both politically and environmentally vulnerable. Addressing those wider issues was fundamental if investments to end poverty were to have sustainable outcomes. ODA would play an important role in driving investments to places such as those 13 countries.

21. The role of ODA and the way it was allocated must evolve to provide effective support for a more ambitious and holistic post-2015 agenda. Within a broadened agenda, there was an acute need to target the poorest. If such an approach was formalized in a mandate for ODA, allocations could be more effectively targeted. A measure was needed to assess the extent to which the poorest had benefited from any investment. The challenge was to identify the appropriate assistance for each context: ODA no longer meant simply buying development outcomes, but involved mobilizing other resources and catalysing impacts for the poorest as well as tackling challenges directly. Targeting the bottom 20 per cent meant driving investments across all three pillars of development, thereby enhancing the effectiveness of spending in those areas by focusing on the impact they had on the very poorest. That was essential if gains in fighting poverty were to be sustainable.

22. **Ms. Adams** (Moderator) said that poverty eradication clearly required a serious approach to ODA. The idea of linkages between ODA and domestic resources was an important one in that regard.

23. Hosting the third International Conference on Financing for Development, scheduled to take place in Addis Ababa in July 2015, came with major responsibilities. The Conference would take place at an important time, just before the September 2015 Summit.

24. **Mr. Alemu** (Ethiopia) said that the current historical juncture called for highly enhanced and transformative cooperation among countries and peoples. Enlightened national interest, paving the way for effective development cooperation, was the only realistic way to ensure the future. That conviction underlay the United Nations Conference on Sustainable Development (Rio+20) and the consensus that poverty eradication was the biggest global challenge. There was global capacity to address the various challenges and to ensure the means of implementation needed to meet the new goals. Although some progress had been made towards achieving the MDGs, not all commitments had been met and greater passion for cooperation and political will were needed to address common challenges. Poverty eradication, climate change and caring for the environment were crucial. The global cooperation development landscape had changed, making a notable difference in the progress of a number of countries, with South-South cooperation becoming significant.

25. Progress in addressing means of implementation was key to the success or failure of the post-2015 agenda. The Intergovernmental Committee of Experts on Sustainable Development Financing had indicated the general way forward, but its work needed to be

completed. That was the promise of the third International Conference on Financing for Development. There was no doubt that international public financial resources would remain critical, especially with respect to helping eradicate poverty in least developed countries. ODA would remain indispensable for those countries, including to build capacity for domestic resource mobilization. Most of the least developed countries had enormous difficulties with respect to tax administration, and their rate of saving was low. Thus, discussion of resource mobilization meant little for such countries. International public financial resources had a unique advantage for the least developed countries, in that ODA could complement the advantages of FDI. FDI and the international private sector had enormous resources available. Ethiopia, having embarked on a major transformation requiring massive financial resources, had decided to explore entering the international bond market.

26. Ethiopia was a good example of South-South cooperation complementing North-South cooperation. Its improved infrastructure was largely the result of South-South cooperation. However, no less significant was the enormous progress in the social sector, and on the MDG health targets, which could be attributed largely to support from traditional partners. The third International Conference on Financing for Development would be a good opportunity to assess the complementary nature of South-South and North-South cooperation. Domestic resource mobilization, which had the advantage of ensuring ownership, must be considered a critical source of development financing. Domestic resources made it possible to ensure that development processes tallied with national policy and strategy. That was also one of the advantages of South-South cooperation, a sector that rarely resorted to conditionalities and had greater sensitivity to the demands of States.

27. However, domestic resource mobilization faced numerous impediments in many developing countries, including in the private sector. Transformation hinged on the growth of that sector. Domestic public financing for development, especially for massive projects, required active public sector involvement. There were opportunities for complementary public-private partnership, for which trust was critical. External partners were a must, but domestic partners should receive priority. ODA was key to capacity-building to control illicit outflows of resources. Philanthropists such as Bill and Melinda Gates were also becoming critical for development.

28. It was crucial to have an accountability framework for the obligations assumed in the developed and developing world.

29. **Ms. Adams** (Moderator) said that the United Nations had some experience in working with the private sector and philanthropists in multi-stakeholder partnerships. Accountability was particularly important in such relationships. Further insights into projects that involved the private sector would be appreciated, as the United Nations was exploring further engagement with that sector. Issues of risk assessment were very different for the United Nations than for private sector organizations. The latter could decide not to get involved in difficult or hazardous regions, whereas the mandate of the United Nations required it to remain active and involved in such situations. Additional comments on how partnerships between the United Nations and private sector organizations might evolve in that regard and on the criteria and different responsibilities involved in such relationships would be appreciated.

30. **Mr. Coppard** (Development Initiatives) said that the private sector was not a homogeneous actor, but a multitude of actors working at different levels. A disaggregated understanding of the private sector in developing countries and in the international sector was needed, as was information about the private actors involved. Then it would be possible to understand the focus of engagement between the private sector and development assistance.

31. The amount of ODA that went to the private sector was surprisingly low. ODA funding to core investments that helped develop the private sector represented only about 3.5 per cent of total ODA. The amount of ODA that went to public-private projects accounted for one quarter of 1 per cent of gross ODA financing. Large financial investments were not necessarily the answer to development: rather, development actors should identify the linkages between various components of the private sector in developing countries, and not only at the international level. Then public-private partnerships could be created.

32. **Mr. Alemu** (Ethiopia) said that attracting investment was of the utmost importance. Host

countries must take ownership of their strategies and policies. Supporting the statement that investors did not make up a homogeneous group, she said that it was all the more important to target the desired investors. Short-term investment was to be avoided, especially for the least developed countries, such as Ethiopia. The focus should be on long-term investments.

Interactive discussion

33. **Mr. Torrington** (Guyana) said that out of roughly 190 countries in the world, 30 qualified as the most needy and 30 were in a position to provide significant ODA. That left 130 in the middle range. It was important to develop a viable poverty eradication agenda for those countries and to determine the kind of support needed. In the Caribbean Community (CARICOM), there had recently been decreasing levels of concessionality, which pushed economies further into debt. The affected countries had been fairly stable and followed the rules, but remained outside of the focus of the agenda.

34. **Mr. De Lara Rangel** (Mexico) said that with regard to the role of cooperation for development assistance in the post-2015 agenda, ODA continued to be a catalyst for development. It was therefore important to determine how to boost ODA. The role of traditional donors should be stressed and mechanisms used to assess development assistance in order to see whether developing and developed countries had adhered to agreed principles. Quantitative participation in ODA had increased. ODA architecture was changing slightly, and international development institutions were aligning themselves accordingly. He would welcome the speakers' views on the global partnerships, keeping in mind the integral nature of the Monterrey Consensus, especially as it related to the systemic approach. Seeking other ways of mobilizing resources was also important.

35. **Mr. Motter** (Inter-Parliamentary Union) said it was not entirely clear that issues of financing had been part of the discussion on sustainable development goals. The question arose as to whether development efforts were ultimately tied only to economic growth or focused more on creating conditions for human well-being. That was not to suggest that growth would not take place in developing countries, but the agenda was universal, and the discussion must take place in both developed and developing countries. A focus on well-being could impact approaches to aid and other flows of finance, qualitatively and quantitatively. He wondered whether catalysing aid for the private sector would lead to supporting large-scale infrastructure development over locally based and owned infrastructure development. Could it mean supporting FDI even if the impact overall remained questionable, or should it involve supporting small and medium enterprise development in developing countries? That was a hugely qualitative distinction.

36. Furthermore, while much of the debate had focused on catalysing the private sector through ODA, it was important to bear in mind that no private sector money should or would be used to support the public sector. Investing more public funds and international aid to support governance institutions and the entire machinery that led to development in the public sector was fundamental. There was not enough of that kind of support, especially with regard to parliaments. Further comments on balancing the tension between investing more ODA into the public sector as opposed to the private sector would be appreciated.

37. **Mr. Alemu** (Ethiopia) said that he sympathized with the need to focus on the qualitative aspect of investment. Ownership was critical. If the countries concerned had strategy and policy that reflected the needs of the country and the people, then external support would have to take that into account. Whether the investment was directed at megaprojects or small enterprise, everything must be developed within the context of the country's strategy and the policy. That was what Ethiopia wanted and how the country expected its partnership with the international community to develop. It was critical for ODA to focus on the places where poverty was greatest. That was the commitment made in Rio+20. Of course there were other needs that would have to be considered as well, such as those raised by the representative of Guyana. But the international consensus was that efforts should be focused on those countries suffering from extreme poverty.

38. **Mr. Coppard** (Development Initiatives) said that the focus should shift from countries to people. ODA should focus less on eligibility at the national level and should better target pockets of poverty within countries. Poverty was now a subnational issue, with disparities greater within countries than between them. Compared to other resources, ODA was not large. Approximately $150 billion gross ODA was going to approximately 150 different countries. It was a scarce

resource and there were other resources available, including other forms of official financing. If the focus was to be on leaving no one behind, then ODA should continue to focus on the poorest, wherever they were.

39. It was true that a target of $1.25-a-day was incredibly modest. A suitable level of well-being could not be achieved by meeting that target, but it was a starting point. Income-based targets had limitations, but they had political feasibility and could be well understood. As one milestone was achieved, another could be set.

40. The definition of well-being and of appropriate indicators constituted a much broader discussion. There was potential for more investment in the public sector, but that needed to be a nationally driven agenda, not an imposition by the international community. To say that the public sector was better at achieving outcomes than the private sector was simplistic; both had a role to play, depending on the context. While the private sector had been very effective in some cases, such as in the water sector, in others, the public sector had proven more effective. A desired outcome should be defined; only then would it be possible to identify the appropriate mechanism.

41. **Mr. Cardi** (Co-Chair) said that the question of well-being versus growth was closely linked to the debate involving domestic resources. With some external assistance, national and local resources could be strengthened in Africa: the international community must continue to help find a way to break the cycle of poverty. Specifically, more should be done to strengthen local capacity and thus shift the development paradigm.

42. **Mr. Bapna** (World Resources Institute) said that it was difficult to determine how financing, means of implementation and other commitments in the areas of development and climate change should be combined for the best results. There remained much confusion with regard to development finance, on the one hand, and climate and environmental finance, on the other. If the environmental and climate finance came from ODA, it was unclear whether that would impinge on the unfinished business of poverty eradication.

43. It had been widely recognized that choosing between tackling poverty and promoting development, on the one hand, and tackling climate change and protecting the environment, on the other, was a false choice. The Intergovernmental Panel on Climate Change had recently stated that climate change would create new poor by 2100 in both developing and developed countries, jeopardize sustainable development, become an additional burden on those in poverty and force poor people from transient into chronic poverty. If climate change went unaddressed, it would have a significant impact on the ability to eradicate poverty. It was not just a matter of avoiding the costs of inaction. If climate change and other environmental challenges were not addressed, it would be difficult to address poverty. There were not only costs to be avoided, but benefits to be reaped: positive actions to protect the environment could also address poverty and promote growth. Referring to a report published by the Global Commission on Economy and Climate Change, he said that many measures being taken to fulfil Rio+20 commitments and address environmental challenges would also help reduce poverty, regardless of climate-related benefits. The Open Working Group had done an excellent job of recognizing such win-win opportunities and integrating sustainability into the development agenda. It was at the heart of the targets, which was a profound shift from the MDGs.

44. With regard to means of implementation and financing, significantly greater levels of public finance must be mobilized for development and for climate and the environment.. Countries had committed to 0.7 per cent of gross national income (GNI) for ODA. ODA currently amounted to about $135 billion, the highest level ever, according to the Development Assistance Committee of OECD, but that figure represented only about 0.3 per cent of GNI. On average, donor countries had earmarked 0.09 per cent of gross national income for ODA to least developed countries in 2012. The commitment related to development finance was thus still unmet.

45. The international community was still far from reaching the target of $100 billion from public and private sources for developing countries by 2020, to which the international community had committed at the United Nations Climate Change Conference, held in Copenhagen in 2009. In the early years, there had been good progress: some $35 billion had mobilized and some $30 billion committed, but it wasn’t clear if that was truly new and additional. The Green Climate Fund was intended to be the main mechanism to channel climate finance to the developing world. The current target was $10 billion for initial capitalization

of the Fund, with $2.8 billion received so far. Considerably more public funding would be needed. However, public funding alone would not address poverty eradication or climate change; much larger flows of private capital must also be shifted.

46. Funding relating to development, environment and climate change, respectively, should be kept separate because each was linked to different types of commitments. When new financing was presented, it must be possible to indicate its source. Once funds flowed into a country, however, it was equally important to decide how each type of funding should be applied.

47. A huge proliferation of new environmental and climate funds were creating parallel systems and increasing countries' transaction costs. Ways must be found to achieve greater country ownership and use of recipient country systems for all such resources.

48. To bring together the Monterrey and Rio financing tracks and address means of implementation, harmful and inefficient fossil fuel, and agriculture and water subsidies must be eliminated. Estimates of the cost of those subsidies exceeded $1 trillion. Streamlining them would free up resources better used domestically for other types of investments. It was crucial to protect the poor in that process. Adequate cash transfer and social protection mechanisms must be put in place before subsidies were removed. In addition, a price must be put on environmental externalities, especially carbon. Tax systems taxed useful factors, such as labour, rather than negative factors, such as pollution. Taxing negative factors led to optimal economic outcomes and generated income. According to the principle of common but differentiated responsibilities, a carbon tax in the developed world could raise significant revenues for the developing world to address environmental issues. An explicit commitment was needed to capitalize the Green Climate Fund and fulfil the pledges made in Copenhagen in 2009.

49. Use of country systems should be accelerated to ensure coherence in development, climate and environmental finance. Furthermore, metrics needed to better capture sustainability considerations in private-sector and government accounts. Integrated reporting was needed in the private and public sectors. That would integrate environmental and social considerations into economic and financial metrics. Significant opportunities for new multi-stakeholder partnerships on issues that straddled poverty eradication and sustainable development, such as sustainable energy for all, could serve both the Rio and Monterrey platforms. Keeping environmental issues separate in terms of content and means of implementation from the rest of the agenda had been one of the mistakes of the MDGs and should be avoided in future.

50. **Mr. Mutati** (Member of Parliament, Zambia) said that monitoring and accountability frameworks and mutual learning were key to the issues being discussed. In his country's experience, the international community was very poor at delivering development. Development had occurred in the donor countries owing to internal rather than external actions. Development was a local action that must be based on fiscal prudence and discipline. In Zambia, Parliament had insisted on less investment in words, promises and visions, with more emphasis on enhancing capacity to align resources with established priorities. There was a structural deformity in the national budget process, in that 80 per cent of the total budget was earmarked for consumption expenditures, leaving 20 per cent for growth and tackling poverty. That partially explained the fact that over the past five years, whereas the budget had expanded by 100 per cent, levels of poverty had remained static at 60 per cent. The country was consuming far more resources than it was generating.

51. Historically, the entire budget process had emphasized inputs. Parliament met annually for a compliance exercise to examine the budget, yet was unable to evaluate whether or not it had been executed properly. It was hoped that the budget bill currently being negotiated in Parliament would contain checkpoints, and that the various stakeholders, including members of Parliament, would participate more actively. There was also work ongoing to strengthen financial regulations, and to adopt sanctions. According to the last report to the Auditor-General, 3.4 per cent of the gross domestic product (GDP) had been wasted expenditure, but there had been no sanctions, because the current framework lacked the capacity to execute them. Parliament was therefore pushing for amendments to the legal framework, so that sanctions could be applied.

52. It was clear that domestic resources and development cooperation resources would remain inadequate. The Ministry of Finance would have to

rely on borrowing, and there must be controls on how credit was procured and used. A debt strategy was needed, as was a bill that regulated the actions of the Ministry of Finance with regard to debt. The systems must be overhauled so that they focused on outputs rather than processes. Development cooperation must shift from an emphasis on perfecting principles to developing measurable objectives. If development cooperation was effective, it should ultimately render itself obsolete. Its continued existence meant that it was not as effective as it should be. Mutual accountability must depend on sound local systems and monitoring should shift from input to outcome assessment. Members of Parliament must continue to provide critical checks and balances to ensure that the budget had an impact on poverty as it grew. Donors and Governments were guilty of that structural deformity because they continued to provide the resource, while the incidence of poverty remained static.

53. **Ms. Leiva Roesch** (Guatemala) said that a shift in approach was needed everywhere, not only in Governments and intergovernmental bodies. The sustainable development goals agenda was universal, with poverty eradication at its heart; it also sought to reduce inequality and address climate change, among other global priorities. It was important to determine what was needed to achieve the sustainable development goals and the post-2015 agenda.

54. The role of technology transfer in the post-2015 agenda must also be decided. The Open Working Group had sought to shift from a silo approach to a more interpretive approach and to start building certain enablers into the framework; regrettably, lack of time had prevented completion of that task. As part of the design of the agenda, it was important to think about means of implementation for each goal and the benefits of having a means of implementation per goal rather than one comprehensive goal on means of implementation.

55. **Ms. Moya** (Colombia) said that eradication of poverty, including extreme poverty was indispensable for sustainable development. ODA needed to be directed to the neediest countries, but also to the middle-income countries, where 70 per cent of the needy were concentrated. The $1.25-a-day threshold reflected an agenda of minimum approaches rather than the real development challenges most countries faced. Other, multidimensional types of indicators were needed, for both poverty and development.

56. A single holistic funding framework that brought together the three dimensions of sustainable development was needed, but it was also essential to build on Goal 8 of the MDGs and to correct errors such as the existence of different quantitative indicators. Miscalculations would have to be corrected to guarantee effective commitments based on the pledges made. The global partnership for development went far beyond development. It was a question of correcting systemic issues and shortcomings in the international system. Views on the need to tackle systemic shortcomings in the new global partnership for development would be appreciated.

57. **Ms. Adams** (Moderator) said that the $1.25-a-day threshold had been mentioned earlier as a step along the way, or a starting point. However, during the MDG process, it had been observed that such markers sometimes became the end point rather than the beginning.

58. **Ms. von Steiger Weber** (Switzerland) said she agreed that the traditional focus on accountability should be expanded to reflect the growing role of a broad range of actors. The post-2015 era offered opportunities to acknowledge and integrate the role of the local authorities, as well as those of parliaments and citizens. The views of the other panellists and Member States on the role of local authorities would be welcome.

59. **Ms. Adams** (Moderator) said that there was pressure to come up with measurable targets. However, sufficient data were lacking, and some areas that needed to be addressed could not be quantified. It was important to avoid a situation in which goals were redefined by inadequate targets because certain aspects could not be measured.

60. **Mr. Bapna** (World Resources Institute) said that the Open Working Group had dealt quite thoughtfully with the issues of enablers and means of implementation. The notion of cross-cutting means of implementation targets that addressed individual goals was appealing. Means of implementation targets were not very specific, and experience showed that such targets were less likely to get real traction. It was true that not everything important could be quantified. Nonetheless, it was necessary to be tough-minded about what was most strategic and to define enablers as

specifically as possible. It was unlikely that means of implementation targets would be ready by September 2015. They must be sharper and more focused to avert a situation of broken promises and to ensure that development cooperation was effective.

61. It was indeed important to focus on people rather than countries. The $1.25-a-day threshold would not necessarily guarantee poverty eradication; there was a lot of evidence that people who earned above that amount often fell below the threshold in a crisis. It was necessary to think about ODA modalities and how they could be differentiated in fragile States, low-income countries and countries that were near the bottom of the middle-income range. The question was not where to focus ODA but how it should be programmed, depending on the context.

62. The debate on the role of the private sector in the post-2015 agenda lacked precision, in part because the private sector was not monolithic. Moreover, the private sector would have different roles and targets depending on the situation, ranging from virtually no role to that of primary driver.

63. Measures must be put in place to make sure that the private sector was held accountable. The enabling policy environment was significant in that regard. One necessary measure was a tax and regulatory regime that addressed externalities, so that adequate payment was made to host Governments with regard to private sector engagement in extractive industries. In that context, research and development, innovation systems and the ways in which ODA and development finance could help catalyse private sector investment in new growth sectors must all be considered.

64. **Ms. Adams** (Moderator) said that if public sector resources did not increase, private sector participation was almost inevitable. Tax evasion, however, amounted to trillions of dollars lost, more than double the estimated cost of implementing the SDGs. Whether or not the private sector was seen merely as a source of additional finance, criteria as to how public-private partnerships actually helped to meet the goals set by the United Nations and the Member States had not been established. Moreover, it was possible that, because some parts of the agenda were more easily financed than others, certain goals had been achieved while others had been neglected.

65. Some Member States joined partnerships rather than contributing to United Nations funds or programmes that addressed specific issues. One of the reasons might be that partnerships responded more directly to their priorities or were more flexible. That had an impact on accountability and reporting and related to the inadequacy of financing for the United Nations development system.

66. **Mr. Coppard** (Development Initiatives) said that he agreed that a shift from inputs to outcomes was needed; so, too were complementary, clear measures, such as growth. An institutional, technological transition was needed to focus more on the poor. Substantially more investment in collecting data on poverty was required. Such data collection was costly, but provided substantial benefits in terms of better targeting resources and their impact. Dramatic shifts in poverty figures were often the result of methodological tweaks in measuring poverty rather than through actual changes in poverty levels.

67. The conceptual shift to a focus on poor people required clear mandates with appropriate accountability mechanisms. Agencies that had a clear mandate focused 80 per cent of their ODA on countries with above-average levels of poverty, whereas agencies without a clear mandate focused less than 30 per cent of their ODA on those countries. A two-pronged approach was needed to place poor people front and centre in the decision-making process concerning resource allocations and in gathering data to identify who and where poor people were.

68. **Mr. Mutati** (Parliament, Zambia) said that unless human issues were addressed, the international community would not make inroads against poverty. About three years earlier, a decision had been taken to improve access to clean water in southern Zambia. The donor had engaged principally with the Government, as donors generally did, and less with the local authorities and the people. Some 10 to 15 per cent of resources had been used for workshops and conversation, and an agreement had been reached to drill boreholes. Because the local people depended on cattle and migrated to where pasture was available, they had abandoned the water sources provided. Unless those involved in development engaged with the targeted beneficiaries and listened to their expressed needs, development cooperation would continue to be wasted on ineffective projects. Poverty must be tackled from the bottom up. The continuous engagement of central Government on poverty issues had led to the current situation, with poverty remaining static.

69. **Mr. Bapna** (World Resources Institute) said that development cooperation needed more direct access to local authorities and communities. There was a debate in multilateral development banks and funds such as the Green Climate Fund as to whether those institutions could lend directly to the local authorities without going through the central Government. Currently, most institutions needed permission from the central Government and a counter-guarantee to lend at the local level. It would be interesting to discuss, within the context of the post-2015 agenda, whether a more concerted effort should be made to enable them to lend directly at the local level.

70. **Mr. Alemu** (Ethiopia) said that in Ethiopia an enormous devolution process was under way, with local authorities empowered to decide on virtually everything, including budget allocations. However, if external support came directly to the local level it would have the inadvertent effect of undermining national institutions. Weak national institutions had been a major problem in Africa, and had had an impact on issues of security and stability.

71. **Mr. Bapna** (World Resources Institute) said that most countries lacked the power at the subnational level to raise capital in international markets or to borrow from international financial institutions. Adequate local capacity to manage those resources must be ensured. The best way to reach the local level was an important question in the context of ongoing poverty eradication efforts.

72. **Mr. Motter** (Inter-Parliamentary Union) said he agreed that the $1.25-a-day threshold should be the starting point rather than the end goal. Furthermore, it was known that countries that reached a certain minimum GDP per capita could accomplish all human development goals when measured in terms of human well-being. The international community needed to rethink how it could invest in organic growth that aimed at well-being. Such investment did not require the same infrastructure, approach or economic model as investment that aimed for economic growth.

73. With regard to the tension between public and private sectors, the human rights approach always applied. It was acceptable for the private sector to take the lead, but it had to be on terms negotiated with the Government, and the Government must always guarantee human rights.

74. **Ms. Adams** (Moderator) said that choices about the nature of the international enabling environment would have to be made. Perhaps the global partnership for development was less central than the need for a more robust accountability mechanism. Such a mechanism would provide a framework for implementation, and a way to measure the extent to which parties contributed positively in partnerships. Accountability was very important.

75. **Mr. Gass** (Department of Economic and Social Affairs), summarizing the discussion, said that the meeting had been intended as a prelude to the Symposium, to determine the subjects to be discussed there in preparation for the third Conference on Financing for Development and other meetings. The membership was eager to take on a change of perspective for an ultimately ambitious and visionary outcome.

76. Participants had recalled the need to rectify the deficit in meeting commitments. That would require more passion and political will. The importance of national Governments and the need for State ownership of development cooperation had also been mentioned. For poverty eradication to be effective it must focus on the poorest and on the root causes of their poverty. By doing so, actors would overcome the false dichotomy between sustainable development and poverty eradication.

77. Development was based on local action. There must be a shift from the discussion of principles to the delivery of outcomes. The moderator had stressed the importance of the accountability and review process, to ensure that the new partnership for sustainable development was ultimately beneficial for all.

78. There would be many other meetings within the context of the third International Conference on Financing for Development and the September 2015 Summit. Access to technology, capacity-building and other enablers were important, as were the appropriate measurement tools. With the right review mechanisms and agreements, combined with the necessary will, sustainable development and poverty eradication could become a reality.

The meeting rose at 12.45 p.m.