UN SYSTEM TASK TEAM
ON THE POST-2015 UN
DEVELOPMENT AGENDA

Financing for sustainable development in the global partnership beyond 2015

Thematic Think Piece

OHCHR, OHRLLS, IFAD, IOM, UNCTAD, UNDESA, UNDP, UNEP, UNESCO, UNFCCC, UNFPA

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Following on the outcome of the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, the United Nations Secretary-General established the UN System Task Team in September 2011 to support UN system-wide preparations for the post-2015 UN development agenda, in consultation with all stakeholders. The Task Team is led by the Department of Economic and Social Affairs and the United Nations Development Programme and brings together senior experts from over 60 UN entities and international organizations to provide system-wide support to the post-2015 consultation process, including analytical input, expertise and outreach.

Financing for sustainable development in the global partnership beyond 2015

Executive Summary

This joint paper highlights two major objectives for the partnership for the financing of sustainable development, as well as concrete partnership goals[1] to achieve them: (i) First and foremost, the partnership must ensure coherence and coordination between different policy processes, institutions and stakeholders at the systemic level. Increased cooperation and coordination would promote a more coherent international financial architecture that supports sustainable development. (ii) Second, the partnership must help increase the mobilization and improve the allocation of resources for sustainable development across all relevant areas, stakeholders and processes of the post-2015 development agenda while at the same time providing a framework for development cooperation.

(i) The partnership has to address coherence and policy coordination issues if it is to make a difference. It needs to bring together the wider UN system,[2] informal fora like the G20 and other relevant stakeholders, such as civil society and the private sector, in a more coherent manner so that delivery of resources matches the objectives of sustainable development finance. The partnership should address the need to align the international financial and economic architecture with broader sustainability and human rights goals. Moreover, it should forge consensus on systemic issues such as reducing global imbalances and capital flow management and other measures that help prevent global crises that may jeopardize resources for sustainable development finance.

(ii) Greater mobilization and improved allocation of resources for sustainable development across all relevant areas remain crucial and are part and parcel of an effective framework for development cooperation that generates sufficient financing for the post-2015 development agenda. This objective will require a two-pronged approach. On the one

[1] These goals are underlined in the text.
[2] The wider UN system would include the IMF, World Bank and WTO and their subsidiary bodies.

hand, adequate financing strategies and commitments, lending policies and sectoral action plans, both at the domestic, regional and international levels, must be linked to specific goals and targets. On the other hand, the global partnership for sustainable development finance should remain a goal in itself, since it provides the vehicle to generate target-specific finance. In this context, the paper suggests some concrete goals for partnerships on the mobilization of three sources for financing sustainable development: (i) mobilizing domestic public and private resources for development; (ii) mobilizing external private resources; and (iii) mobilizing external public resources and improving development cooperation.

Introduction

In *Realizing the future we want for all*, the UNTT establishes "a vision for the future that rests on the core values of human rights, equality and sustainability".[3] Forging a global partnership for financing sustainable development involves a fine balance between economic, social and environmental needs of various stakeholders. The partnership must improve the international allocation of resources for sustainable development across all relevant areas, stakeholders and processes of the post-2015 development agenda while at the same time providing a framework for development cooperation to ensure sufficient financing for sustainable development. In this context, this partnership should put in place collective mechanisms in order to ensure that the rules, institutions, and governance of the global economic "engine" are geared to enable sustainable outcomes as a whole.

Consequently, within the post-2015 development agenda, the global development partnership regarding the financing of sustainable development should be designed in a way that meets two major objectives: (i) First and foremost, it must ensure policy coherence and coordination between different policy processes and institution. (ii) Second, the partnership should improve the mobilization and allocation of resources for sustainable

[3] Principle one of the 1992 Rio Declaration on Environment and Development states that "human beings are at the centre of concerns for sustainable development". The 1993 Vienna Declaration and Programme of Action declares that the "right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations". Most recently, at the 2012 United Nations Conference on Sustainable Development, Member States declared that achieving sustainable development would require, inter alia, "sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, [and] fostering equitable social development and inclusion".

development across all relevant areas, stakeholders and processes of the post-2015 development agenda. Moreover, it must also provide a framework for development cooperation to ensure sufficient financing for sustainable development.[4]

Increased policy cooperation and coordination for a more coherent international financial architecture in support of sustainable development finance

Realizing all human rights, including the right to development, requires an international enabling environment for development. In this regard, policy coherence and coordination between different policy processes and institutions will be critical. First and foremost, there is a need for enhanced coordination, cooperation, coherence and effective policymaking across the entire United Nations system. Member States should consider the best ways to balance effectiveness with inclusiveness and representation. Moreover, measures should be considered to enhance the functioning and working methods of relevant United Nations organs (especially the Economic and Social Council) and their subsidiary machinery, improve coordination and efficiency at the inter-agency and operational levels and enhance engagement with non-State actors. The performance of United Nations organs and bodies should be periodically reviewed and, when necessary, reformed. In addition, the partnership should ensure that there continues to be predictable and consistent engagement between the G20 and other informal fora and the United Nations to ensure complementarities between their objectives and activities in support of sustainable development finance.

The partnership should promote efforts to further enhance the voice and representation of developing countries in multilateral institutions and other norm- and standard setting bodies, as called for in the Monterrey Consensus, the Doha Declaration on Financing for Development and the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development. Finally, the international community should address gaps in multilateral frameworks and pay due attention to issues related to policy coherence among all international organizations in the face of the cross-cutting challenges of an

[4] Another important area is international trade, which has been identified by the Monterrey Consensus and the Doha Declaration on Financing for Development as a major source of financing for development. However, the task team decided to tackle international trade in a separate cluster.

interconnected world. In this connection, regional institutions and arrangements should be better incorporated into the framework for global financing for sustainable development. Within this framework, the regional commissions have an important role to play in bringing to bear the lessons learned from their presence on the ground and in reflecting regional and local sensitivities in global decision-making.[5]

Most importantly, a global development partnership for sustainable development finance should not only remain constrained to financial targets for governments and intergovernmental bodies but must tackle important challenges related to the international financial system. The continuing impact of the global financial and economic crises that struck in 2008 illustrates the need for broader, more effective rights-based approaches to economics and development. At the UN Conference on the World Financial and Economic Crisis and its Impact on Development, held in New York from 24 to 26 June 2009, Member States observed that the crisis had severe social, political and economic impacts that negatively affected all countries, particularly developing countries, and threatened the livelihoods, well-being and development opportunities of millions of people.[6] A range of political processes are currently under way to overcome shortcomings of the international financial architecture. These processes involve multiple bodies, such as the IMF, the Financial Stability Board, the Basel Committee on Banking Supervision, informal groupings like the G20, and others.

Consequently, the post-2015 global development partnership could forge consensus on issues critical for a less crisis-prone international financial architecture within key areas like global economic and financial imbalances, multilateral surveillance, the international reserve system, a global financial safety net, and management of cross-border capital flows. This could include spelling out responsibilities of different parties, for instance those of developed and developing countries in meeting clear targets related to these systemic challenges. The partnership could conduct an integrated monitoring of all relevant processes, based on the implementation of policy commitments and appropriate indicators and drawing from monitoring exercises of other fora.

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[5] A/66/506.
[6] GA resolution 63/303, annex, para. 1.

Moreover, the global development partnership should address the need to align national and international economic development, environmental and financial policies and regulations with broader sustainability and human rights goals. Today, financial policy-makers and regulators are failing to communicate a clear sustainability position which all players of the system can work towards. Banks, for instance, are subject to the Basel Committee's prudential regulation, and in particular the so-called Basel III package.[7] While inviting banks to protect themselves from all 'material risks', it stops short of spelling out environmental and social risk, missing an opportunity to send a strong signal on the need for proper sustainability management. Institutional investors face a policy/legal gap of their own: the interpretation of fiduciary duty often remains narrow, excluding sustainability considerations. Indeed, there remains a body of investors who believe that addressing sustainability concerns runs counter to their fiduciary duties, understood first and foremost as the financial performance of the assets they guard and manage on behalf of their beneficiaries.[8] On the contrary, financial stability regulations are in some cases acting as a barrier to further financing and investing in sustainable development.

Finally, it must also be recognized that unsustainable development itself may be a cause of financial market instability over the long-term. Today the financial system is very much focused on short-term quantifiable risks and is not sufficiently configured to deal with mid- to long-term risks, including climate change, resource depletion and ecosystems destruction. In that context, the global partnership could promote finance and investment processes and practices which take into account environmental, social and governance issues and contribute to the stability of the financial system. Sustainable finance and responsible investment can promote the values of transparency, accountability and responsibility. They advocate "active ownership" that seeks to heighten the accountability between the ultimate owners of capital and the assets in which they are invested.

[7] Bank for International Settlements, 2010, Basel III: A global regulatory framework for more resilient banks and banking systems. See http://www.bis.org/publ/bcbs189.pdf

[8] UNEP FI, 2009, Fiduciary Responsibility: Legal and practical aspects of integrating environmental, social and governance issues into institutional investment (see http://www.unepfi.org/fileadmin/documents/fiduciaryII.pdf) & UNEP FI, 2005, A legal framework for the integration of environmental, social and governance issues into institutional investment (see http://www.unepfi.org/fileadmin/documents/freshfields_legal_resp_20051123.pdf).
Fair Pension, 2012, The Enlightened Shareholder - Clarifying Investors' Fiduciary Duties. See http://www.fairpensions.org.uk/sites/default/files/uploaded_files/policy/EnlightenedFiduciaryReport.pdf).

Improving the mobilization and allocation of resources for sustainable development and providing a framework for development cooperation

There is a global consensus that achieving sustainable development requires substantial mobilization and reallocation of financial resources which makes financing a central theme in the post-2015 development agenda. Indicative figures such as those from the International Energy Agency's scenarios for halving worldwide energy-related CO2 emissions by 2050[9] and from the United Nations Environment Programme's modelling of the green economy show the required additional investment flows into sustainable development will be in the range of 1 to 2.5 per cent of global Gross Domestic Product (GDP) per year from 2010 to 2050. Yet currently, investments in sustainable development are well below 1% of global GDP.[10]

In order to improve the international mobilization and allocation of resources for sustainable development across all relevant areas and provide a framework for development cooperation to ensure sufficient financing for the post-2015 development agenda, a dual approach to incorporate issues related to the financing of sustainable development in the post-2015 framework appears useful. On the one hand, adequate financing strategies and commitments, lending policies and sectoral action plans, at the domestic, regional and international levels, could be linked to specific goals and targets. On the other hand, the global partnership for sustainable development finance must remain a goal in itself, since it provides the vehicle to generate target specific finance. Sources and tools for the sustained financing of sustainable development include:

- Mobilizing domestic public resources for sustainable development;
- Mobilizing domestic and external private resources for sustainable development;
- Mobilizing external public resources and improving development cooperation for sustainable development;

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[9] IEA. (2010). Energy Technology Perspectives: Scenarios & Strategies to 2050. International Energy Agency. See http://www.iea.org/techno/etp/etp10/English.pdf

[10] UNEP, 2011, Green Economy Report – Finance: Supporting the transition to a global green economy. See http://www.unep.org/greeneconomy/Portals/88/documents/ger/15.0_Finance.pdf

Mobilizing domestic public resources for sustainable development

A global development partnership for governments to efficiently and effectively tackle domestic public resource mobilization is required. Priority areas include employing taxes, subsidies and market-based instruments to shift consumer preference and promote green investment and innovation; and strengthening social safety nets.

A global development partnership could help identify possible priority areas for improving tax systems and subsidization. These efforts could focus on trade taxes, broadening tax bases and reducing unwarranted special concessions and eliminating gaps and redundancies. Moreover, there is increasing acceptance of the need to tax environmental "bads" and give incentives for environmental "goods" as one way of ensuring a sustainable environment. In a number of economic sectors, such as transportation, negative externalities such as pollution, health impacts or loss of productivity, are typically not reflected in costs, thereby reducing the incentive to shift to more sustainable goods and services. A solution to this problem is to incorporate the cost of the externality in the price of a good or service via a corrective tax, charge or levy or, in some cases, by using other market-based instruments, such as tradable permit schemes. On subsidies, many subsidies represent a significant economic and environmental cost to countries. Artificially lowering the price of goods through subsidization encourages inefficiency, waste and overuse, leading to the premature scarcity of valuable finite resources or the degradation of renewable resources and ecosystems. For instance, global subsidies to fisheries have been estimated at US$ 27 billion annually, at least 60% of which are harmful and likely contributors to over-fishing.[11] Other examples are agricultural and fuel subsidies, with their well known negative effects. Subsidy reforms should be gradual with short-term support measures to the poorest communities such as the use of targeted consumption subsidies to poor households or the redirection of funds into high-priority areas for public spending, such as health care or education. At the same time, time-bound subsidies for activities that have public-good characteristics or positive externalities can be a powerful enabler for a transition to a green economy. Green subsidies, such as price support measures, tax incentives, direct grants and loan support can help promote investment in sustainable

[11] UNEP. 2011, Towards a Green Economy. Pathways to sustainable and poverty eradication (a synthesis for policy makers). See http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_synthesis_en.pdf

development and mobilize private finance. Consequently, global partnerships in taxation and subsidies could advance an international understanding of environmentally sustainable and development–oriented taxation. Further, global partnerships in the area of domestic resource mobilization can be envisaged, inter alia, in the areas of corporate governance, and combating illicit capital flight.

A global development partnership could require multinational enterprises (MNEs) to place good tax compliance at the centre of their corporate governance and risk assessment systems and to be transparent about their corporate citizenship abroad in their reporting obligations. As part of this global development partnership there should also be improved information and skills-development in developing countries about the operations of MNEs and about transfer pricing in particular.[12] Encouraging MNEs to be open in their dealings with other countries would be one aspect of this global partnership. A subset would be assistance to countries in developing systems that allow local and regional data, likely to be most relevant, to be used in assessing arm's length pricing issues, and developing the expertise to analyse relevant data.

International tax evasion and avoidance thrive upon the use of global information and telecommunications systems, as well as on the failure of governments to communicate with each other on tax matters. While the situation is improving, a concerted and truly global effort needs to be made to put developing countries, especially the least developed, in a position to combat sophisticated tax avoidance and evasion schemes, in terms of information and skills to access, interpret and make use of that information. Global partnerships toward improving information sharing between jurisdictions to allow the full application of existing tax codes can reduce tax evasion and benefit the countries most in need. It can help prevent major revenue leakages and ensure that taxpayers willing to play their part in country development are not eventually deterred by widespread examples of others not doing so without consequences. A global development partnership is needed to help developing countries address illicit financial flows. This includes not just addressing

[12] Transfer pricing involves attributing amounts to transactions within MNEs. While this setting of prices is a normal incident of MNE business (such as to determine which parts of an MNE are performing best or worst) and need not itself constitute tax evasion or avoidance – such transactions may be mispriced, so that profits are not booked to developing countries whereas they would be if the well accepted "arm's length" approach to judging whether intra-group pricing is legitimate, was followed.

their root causes, including corruption, but also improving assistance and support in recovering the proceeds of such flows in other countries – there is an obvious tie-in to ongoing UN, World Bank and other work on the recovery of stolen assets.

The most recent global economic crisis highlighted the importance of appropriate social safety nets for reducing poverty and vulnerability. Such safety nets also act as automatic stabilizer during times of crises with positive effects on economic growth and, consequently, the capacity of the economy to dedicate resources to sustainable development. Countries with effective safety net programmes used them to respond to the crises, while countries without such programs had to rely on ad hoc and less effective responses. Global partnerships between national governments, donor agencies, the United Nations, non-governmental organizations, and community groups can help build political will in support of safety nets and keep the international community engaged financially and technically in supporting safety nets.

Mobilizing domestic and external private resources for sustainable development

The financing needs for sustainable development outstrip available public funds. Through fiscal policies and environmental standards, including product standards, governments can create a market for green goods and services, and private funds will likely follow.

A global development partnership assisting governments to establish well-designed regulatory frameworks will enable them to regulate the most harmful forms of unsustainable behaviour of the private sector, either by creating minimum standards or prohibiting certain activities entirely. An adequate regulatory framework reduces regulatory and business risks, and increases the confidence of investors and markets. Also, industry self-regulation and voluntary agreements between government(s) and businesses can be a useful complement to government rules and regulations as they take away some of the burden of information and administrative costs from government authorities. However, as revealed by the global financial crisis, these measures are not an adequate substitute for effective governance. Depending on the situation however, command and control measures can be administratively easier to implement and may pose fewer political challenges.

Global partnerships in the area of private resource mobilization requires close co-operation between governments and the financial sector to develop workable frameworks that will reduce the risk or lower the cost of capital for investors in financing sustainable development. Solutions are found in smart and targeted public sector interventions through policy frameworks and new financial instruments. Policies must be clearly targeted, reliable and predictable, avoiding retroactive policy steps which undermine the confidence of investors for future investments. It must create a level playing field in terms of profitability, between innovative and promising green technologies and conventional options. Governments need to provide easy market access to private sector actors on a competitive basis; without access, the required skills, technologies and financing will not move. In term of new financial instruments, a global development partnership should include goals and targets on public finance's mobilization and leveraging of private sector investments.

Financing sustainable development is, however, not just about mobilizing capital for specific projects, such as renewable energies, affordable housing, quality education and training, or proper water treatment. More importantly, it is also about ensuring the financial sector becomes adapted to financing for sustainable development by changing the way in which finance operates so that its own processes are both sustainable and support sustainability. Another collaboration area is therefore "changing finance" by ensuring sustainability concerns are mainstreamed into the core business and operation decision-making of financial institutions globally. The overall 'financing ecosystem' presents information gaps, market barriers and misaligned incentives that need to be addressed to achieve the financing of sustainable development. For example, the lack of awareness of sustainability issues across the finance sector, especially the low understanding of the potential and necessity of financing sustainable development, and the need to account for natural capital's positive and negative externalities to the global financial system, pose a big challenge.

Within the contours of the post-2015 global partnership, financial inclusion could feature as an explicit goal, as an enabler, and/or within the sustainable development financing strategy. Progress in data availability and measurement approaches might allow the formulation of an explicit goal on financial inclusion. Progress against that goal and related targets could be tracked with an appropriate set of indicators. Moreover, it might be useful to stress the role of financial inclusion as an enabler to achieve a range of development goals, in particular through strengthening domestic financial systems and resource mobilization. Financial inclusion could be mainstreamed across relevant goals and targets either as an alternative or, within a dual approach, in addition to an explicit inclusion goal.

Remittances have over the past decade been playing an increasingly important role in the economies of a number of developing countries. Given this, <u>a global development partnership could include a target for more effective collaboration of source and destination countries to reduce the transaction costs of remittances and, where possible, to relax legal and funding barriers to remittances and other financial flows by migrants</u>. The Doha Declaration on Financing for Development pledges to increase cooperation between originating and receiving countries and to create opportunities for development-oriented investments arising from remittances. Furthermore, easing barriers to migration could contribute to enhancing remittances.

There have been several attempts to design and initiate schemes that leverage remittances for development purposes. These include mechanisms to support diasporas wishing to invest or contribute to development in their home country, enhancing the financial literacy of remittance senders and receivers, and to boost migrant investments through schemes that contribute government funds for every dollar contributed by diaspora. In some cases, international financial institutions have given their support to such schemes where the conditions in the country in question would otherwise be inadequate. <u>Building partnerships with banks and other financial providers is therefore important to enhancing the financing aspects of sustainable development</u>, including by moving towards greater financial inclusiveness such that low-income remittance recipients can access financial services to invest, save and leverage their remittances towards greater development ends.

<u>Global development partnerships may also be formed to facilitate the flow of longer-term investment, including foreign direct investment, to a greater number of developing countries and into critical sectors such as human resources, education, culture, transport, energy, communications and information technology</u>. Attracting the required levels of

longer-term private investment to satisfy the infrastructure needs of many developing countries would depend upon addressing concerns among foreign investors relating to – amongst others - regulatory risks. Risk mitigation and capacity building by bilateral and multilateral donors, as well as measures to improve the enabling business environment by national governments, can serve to assuage these concerns to some degree. Effective risk mitigation by governments, donors and multilateral organizations may also need to be employed to attract private finance into 'green economy' activities.

In this respect, attention is also being given to ways encouraging foreign investment that generates and disseminates technologies that mitigate greenhouse gas emissions, also referred to as low-carbon FDI. <u>UNCTAD has proposed a global development partnership that will, among other things, galvanize low-carbon investment for sustainable growth and development</u>. Elements of this partnership would include establishing clean investment promotion strategies; enabling the dissemination of clean technology; securing the contribution of International Investment Agreements (IIAs) to climate change mitigation; and setting up an international low-carbon assistance centre to leverage expertise, including from multilateral agencies.

Global partnerships could also envisage more innovative financing mechanisms such as citizen contributions. Apart from remittances, there is also a considerable potential for private citizen financing, at the time of acts of consumption or service purchase, for which the coherence with public action can be enhanced (leverage effect) and for which states can strengthen their incentive (tax instruments).

Moreover, <u>a global development partnership is needed to strengthen international environmental agreements to facilitate and stimulate domestic investment into sustainable development.</u> For instance, the multilateral environmental agreement (MEA) with the most potential to influence sustainable development is the United Nations Framework Convention on Climate Change (UNFCCC). The UNFCCC's Kyoto Protocol has already stimulated growth in a number of economic sectors, such as renewable energy generation and energy efficient technologies, in order to address greenhouse gas emissions. At a global level, the renewal of a post-Kyoto framework for carbon will be the single most significant factor in determining the speed and scale of sustainable development. The newly created Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) will likely serve to strengthen the policy results from the biodiversity-related MEA, and address the costs of natural capital in sustainable development.

Mobilizing public external resources and improving development cooperation

Global partnerships in the area of public resource mobilization could include, inter alia, renewed commitments to existing development goals with timelines for their implementation, the effective inclusion of new stakeholders in the international aid architecture, systematic information and indicators on new/non-traditional flows and innovative sources of finance, commitments to responsible sovereign borrowing and lending, a greater focus of climate finance on low carbon investment and the promotion of coherence and policy coordination.

The development cooperation landscape has changed significantly in recent years. New actors and new partnerships have emerged. Yet, many of the poorest countries still depend on Official Development Assistance (ODA) from OECD-DAC members. The international community has reiterated on several occasions the intent to fulfil their ODA commitments with regard to developing countries (0.7 per cent of GNI) and, in particular least developed countries (0.15-0.20 per cent of GNI) for example in the Istanbul Programme of Action.

Yet, ODA has fallen short and has decreased recently in the face of budget difficulties. At the same time, major donors' strategies are being transformed to focus on results, impact and attribution. This tendency points toward the tension existing between "results based" delivery of resources and delivery based on "needs" to support "national ownership" and "policy space" in developing countries. Results need a long-term commitment in terms of finance, technology and human resources. The decision of the General Assembly to promote the consideration of least developed country indicators, GNIpc, HAI and EVI, as part of their criteria for allocating official development assistance is an important step in this context.

It has also been reflected in the recent emphasis on giving South-South cooperation and innovative sources of development finance an increasingly prominent role. The global development partnership should embrace new actors and new donors, including from emerging economies, networks and partnerships, while maintaining ODA commitments. In this respect, leveraging scale and financial commitment through regional financial collaboration presents itself as an important complement to traditional multilateral financing mechanisms.

Innovative sources of finance have so far not raised significant additional resources, but the potential of mechanisms such as an FTT, a CTT, the use of SDRs for development or solidarity contributions on air tickets is high.[13] At the same time the global development partnership should prevent further fragmentation in the aid architecture. Partnership goals in terms of money raised, as well as of the share of finance intermediated through recipient countries budgets would make a big impact in fostering these initiatives. Besides health and climate, innovative private-public partnerships should foster regional and cultural infrastructure; quality education at all levels; science, technology and innovation and other key elements for sustainable development.

There is a lack of systematic information and indicators on these new/non-traditional flows, which hampers the capacity to assess their magnitude and possible impacts. The Busan partnership for effective development cooperation has acknowledged this short-coming. In this context, the post-2015 global development partnership could promote the production and diffusion of indicators for new/non-traditional flows, as well as move the debate forward around those issues.

Concessional financing through the IDA window should be determined through a needs-based assessment for development goals, including the MDGs or Post2015 goals, and the identifiable structural weaknesses in LDCs and most SIDS. The rising share of non-concessional elements in aid should also be monitored to foster coherence between the aid and debt sustainability agendas.

[13] Another innovative and growing source of financing is offered by International Lottery mechanisms, which can come in various forms (internationally coordinated private lotteries or state organised lotteries, states contribution a fraction of the tax revenues or the lotteries contributing directly to development initiatives,etc..). To illustrate, the UK Big Lottery Fund, an initiative of the National Lottery, has mobilized nearly 6 billion £ for good causes since 2004.

Debt sustainability is key, both for developed and developing countries. Despite the considerable impact of the HIPC and MDRI Initiatives, some of the beneficiary countries are still at high risk of debt distress. The global partnership should therefore promote new debt relief initiatives. Debt servicing obligations should not be allowed to interfere with State obligations to fulfill the right to development. Now that the HIPCs and MDRI Initiatives are very close to being concluded and some of the beneficiary countries are still at high risk of debt distress, new debt relief initiatives should be promoted and monitored. The global partnership for development should include a framework that protects citizens, creditors and debtors from the considerable costs of a protracted sovereign debt default negotiation. A comprehensive framework, combining statutory and voluntary features, could help end the recurrence of debt crises in many countries, especially the most vulnerable, and free resources for sustainable development.

The global development partnership could foster the dialogue on debt sustainability through, for example, a goal on signatories to the principles of responsible sovereign borrowing and lending. The partnership could also monitor countries at risks of debt distress. Moreover, it could foster international high-level working groups to analyze and propose strategies to create a timely, equitable and less costly framework to deal with sovereign debt defaults and distress.

Climate change is a substantial threat to human survival. Adaptation needs of LDCs, LLDCs and SIDS, which do not have sufficient capacity and resources, should be addressed. As human development is the best strategy for adaptation, low-carbon development and relevant linkages should be embedded at the core of the global partnership. Goals to deter the use of high carbon energy and production processes could be crucial if we are to foster mitigation and adaptation. Climate finance has so far been mostly focused on mitigation. Thinking about how it could be channelled to low carbon development could help bridge the political gap between developed and developing countries around these issues. Market mechanisms such as carbon emission trading and the use of a fraction of such resources for development should be further developed and improved. In a very short time, the CDM has mobilized billions of dollars in public and private investment to reduce emissions in developing countries. For instance, Germany has raised €580 million since 2008 through this trading system, which could be replicated on a larger scale. Since 2009, France has been committed to following this example by allocating a proportion of the income raised from carbon emissions trading to climate actions in the LDC's by 2013.

People, as consumers and producers, will need to contribute to mitigation efforts, and people will need to adapt to changing environmental conditions. In this context, efforts to channel funds into technological solutions are critical, but must be complemented by efforts to strengthen the capacity of people to mitigate and adapt to a changing environment. Consequently, the global partnership on sustainable development finance requires donors to invest in health and education, and human capital more broadly, but also to promote special efforts to aid the most vulnerable populations. These include particularly children, girls and women, and the elderly in urban slums and fragile environmental areas. Important current initiatives in this connection include programs that channel climate and environmental finance to smallholder farmers so that they can increase their resilience and increase agricultural output while at the same time reducing and diversifying climate-related risks.[14]

As for adaptation, it is essential that more attention is given to the integration of demographic, social, economic and environmental data within geographical information systems. This would help to identify vulnerable areas, as well as populations, and encourage more effective policies to decrease vulnerabilities and strengthen resilience.

Finally, the global partnership should also encompass and further promote other non-financial modalities for supporting sustainable development. This should include in-kind contributions (human resources as seconded personnel or volunteers; equipment or media related products and services), exchange of skills and best practices, particularly through South-South and triangular partnerships. Peer learning as well as knowledge, experience and technology sharing should result in new development of partnerships.

[14] One such approach has been recently launched by IFAD in the form of its Adaptation for Smallholder Agriculture Programme (ASAP).

UN System Task Team on the Post-2015 UN Development Agenda

Membership

Department of Economic and Social Affairs (DESA), Co-Chair

United Nations Development Programme (UNDP), Co-Chair

Convention on Biological Diversity (CBD)

Department of Public Information (DPI)

Economic Commission for Africa (ECA)

Economic Commission for Europe (ECE)

Economic Commission for Latin America and the Caribbean (ECLAC)

Economic and Social Commission for Asia and the Pacific (ESCAP)

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Food and Agricultural Organization of the United Nations (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Civil Aviation Organization (ICAO)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Organization for Migration (IOM)

International Telecommunication Union (ITU)

Joint United Nations Programme on HIV/AIDS (UNAIDS)

Non-Governmental Liaison Service (NGLS)

Office of the Deputy Secretary-General (ODSG)

Office of the High Commission for Human Rights (OHCHR)

Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS)

Office of the Special Advisor on Africa (OSAA)

Peace building Support Office (PBSO)

United Nations Children's Fund (UNICEF)

United Nations Conference on Trade and Development (UNCTAD)

United Nations Convention to Combat Desertification (UNCCD)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Entity for Gender Equality and Empowerment of Women (UN Women)

United Nations Environment Programme (UNEP)

United Nations Framework Convention on Climate Change (UNFCCC)

United Nations Fund for International Partnerships (UNFIP)

United Nations Global Compact Office

United Nations High Commissioner for Refugees (UNHCR)

United Nations Human Settlements Programme (UN-HABITAT)

United Nations Industrial Development Organization (UNIDO)

United Nations International Strategy for Disaster Reduction (UNISDR)

United Nations Institute for Training and Research (UNITAR)

United Nations Millennium Campaign

United Nations Office for Outer Space Affairs (UNOOSA)

United Nations Office for Project Services (UNOPS)

United Nations Office on Drugs and Crime (UNODC)

United Nations Population Fund (UNFPA)

United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)

United Nations Research Institute for Social Development (UNRISD)

United Nations System Chief Executives Board for Coordination Secretariat (CEB)

United Nations University (UNU)

United Nations Volunteers (UNV)

United Nations World Tourism Organization (UNWTO)

Universal Postal Union (UPU)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Intellectual Property Organization (WIPO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)