

# Dialogues at the Economic and Social Council 2012

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**Address by Mr. Ban Ki-Moon,  
Secretary-General of the United Nations  
Opening of the High-Level Segment  
2 July 2012**

I am pleased to be here, and I thank the President of the Council, Ambassador Koterec, for his leadership.

We meet under the shadow of continued global uncertainty.

A modest economic recovery in some countries should not disguise the precarious state of the world economy. All around the world people – especially young people – are concerned about jobs, fairness, and opportunities. Getting the global economy back on track will require decisive action -- and the courage to take difficult decisions.

Short-term measures have bought us time, but they have not resolved the underlying dysfunctions.

Recovery is not just a matter of macroeconomic adjustment; it is a development issue. From a long-term perspective, the solution is to pursue a new model of growth within the framework of sustainable development and enhanced international cooperation.

Just over one week ago the Rio+20 Conference closed. It was a victory for multilateral cooperation. We must now build on this momentum.

High on the list of priorities is jobs—decent jobs; predictable and stable incomes. For city dwellers... for small farmers...for the poor and the marginalized.

Here, allow me to pay tribute to a past President of ECOSOC, the Director-General of the International Labour Organization, and the father of the Decent Work concept, Juan Somavía. He will be leaving office at the end of the summer.

Dr. Juan Somavía, thank you for your many years of service to the United Nations. I know everyone here joins me in wishing you the best.

As Director-General Somavía often says, we need to tackle the jobs crisis head-on through productive investment, targeted policies and coordinated intervention.

Only by generating decent – and decently paid – employment can we help the poor and vulnerable to escape poverty traps and build resilience.

Today we unveil the MDG Report 2012, which offers the most comprehensive picture yet on global progress towards the Millennium Development Goals. It offers considerable reason for encouragement, especially as we look forward to defining a post-2015 development framework.

The number of people living in extreme poverty has been reduced by half, well ahead of schedule.

And millions of lives have been saved, thanks to improvements in child survival, expansion of HIV treatment, and malaria prevention programmes. Between 1990 and 2010, more than two billion people gained access to improved sources of water, such as piped supplies and protected wells, and living conditions are better for more than 200 million people in slums. We have achieved parity in primary school enrolment between girls and boys, and many countries have made significant progress towards universal primary education, even as child populations have grown.

These results represent a tremendous reduction in human suffering. They are a clear validation of the approach embodied in the MDGs.

But, they are not a reason to relax.

Success is uneven within countries and regions.

Projections indicate that in 2015 more than 600 million people worldwide will still lack access to improved water sources, almost one billion will be in dire poverty, and hunger will remain a global challenge.

Mothers will continue to die needlessly in childbirth, and children will still suffer and die from preventable diseases due to lack of adequate sanitation or nutrition.

Meanwhile, biodiversity loss continues apace and greenhouse gas emissions continue to pose a major threat to people and ecosystems

This was the backdrop to Rio+20.

In Rio, governments renewed and strengthened political commitment to sustainable development.

They provided a foundation for building the future we want.

Among the most significant of the Rio outcomes is the agreement to launch a process to establish universal sustainable development goals, SDGs. The SDGs will build on our advances under the Millennium Development Goals, and they will be an integral part of the post-2015 development framework.

The United Nations system stands ready to support Member States in developing these SDGs and the tools we will need to measure their success.

“Only by generating decent – and decently paid – employment can we help the poor and vulnerable to escape poverty traps and build resilience.”

The MDGs have given policy-makers a unifying framework for global development ... a clear agenda with measurable goals and targets ... and a common, inspiring vision.

As we look beyond 2015 we must do the same.

We need an agenda that is concrete, action-oriented and focused on poverty eradication, inclusive economic and social development, environmental sustainability and peace and security for all.

I will count on this Council for advice, for leadership – and action.

I wish you a productive meeting.

Thank you very much.

## Statement by H.E. Mr. Milos Koterec, President of the Economic and Social Council, Permanent Representative of Slovakia to the United Nations

I bid you a warm welcome to the 2012 Economic and Social Council High-level Segment.

I thank you all for coming — especially those of you who have travelled far and wide to participate. Your presence at this particular juncture attests to the weight of the issues before the Council and the seriousness with which they are treated.

Sixty six years ago ECOSOC held its first session. Among the many topics discussed then was employment. Much has changed since 1946, but in many ways, the challenges remain the same - - and they are no less daunting. I ask you now to please direct your attention to the screen over head for this short video that reminds us of the role of the Council and of the urgency of the tasks that we, as members, must undertake.

Work is a foundation of life: sustaining us and, hopefully, challenging and rewarding us, too.

Theodore Roosevelt, the late American president, observed: "Far and away the best prize that life has to offer is the chance to work hard at work worth doing.

In 2012, that prize is no less coveted than it was back when Roosevelt spoke in 1903.

Yet for today's 205 million unemployed, work is worryingly difficult to find — and finding decent, meaningful work, harder still.

Why? The causes of the global jobs crisis are, of course, as varied as the jobs are scarce.

Most immediately, recovery from the deepest financial crisis since the Great Depression has been slow, weighed down by painful deleveraging, sovereign debt woes, and rigid labour markets.

Globalization and technological innovation, meanwhile, are fundamentally reshaping the world economy, with significant implications for jobs and unemployment rates in the short-run. Professors Edmund Phelps and Michael Spence, both nobel-winning economists, argue, for example, that in many rich economies the "natural rate" of unemployment (below which higher demand would push up inflation) is now significantly higher than only a few years ago. But even this story is incomplete.

Just as more people confront a worsening jobs picture, a thriving minority are nonetheless benefiting from the intensifying global competition for talent. As a result, pay for top performers has soared to an ever larger multiple of the average worker's salary. Such sweeping changes pose huge challenges to governments, employers, and workers alike. Here at ECOSOC, these and other related issues will rightly consume our attention over the next week.

## Statement by H.E. Mr. Milos Koterec, President of the Economic and Social Council, Permanent Representative of Slovakia to the United Nations

Dear colleagues,

From Beijing to Bangalore, we've seen the transformative power of economic growth and job creation to lift hundreds of millions out of extreme poverty in record time. Nor would solid progress on countless other Millennium Development Goals be possible without them, either.

And, while failure to manage global job creation and sustain growth inflicts tremendous damage everywhere, it is the world's poorest who suffer most, with women and youth typically the greatest victims.

For these reasons, sustainable growth and job creation must rise to — and remain — at the top of the political agenda everywhere. The United Nations is no exception.

Mr. Secretary-General,

I wish to commend you for your ambitious efforts to this end, particularly your intensified focus on young people, who suffer disproportionately during economic slowdowns. ECOSOC, likewise, is scaling-up its own efforts on youth. We're sharpening our focus on youth unemployment, while encouraging more young people than ever to the stakeholder table. We are heartened by their response; around 1,000 attendees combined — a majority in their teens, twenties, and early thirties — turned out for this year's Partnership Event and, more recently, the inaugural ECOSOC Youth forum.

While preparing for this year's Annual Ministerial Review, another powerful, if straightforward message also emerged from ECOSOC's regional meetings: namely, that all countries face unique employment challenges, even as the quest for sustainable growth, job creation, and decent work is universal.

At one such regional meeting in Addis Ababa, Ethiopia, for instance, we learned of the many obstacles impeding the growth of Africa's small and medium-sized enterprises, so crucial to job creation.

In Kyoto, Japan, we discussed the considerable challenge Asia faces in boosting productive capacity among its fast-evolving economies.

And in Montevideo, Uruguay, we concentrated on Latin America's efforts to design more comprehensive social safety nets and protection floors. Meanwhile, for those unable to attend our regional meetings, the Council hosted a month long e-discussion dialogue, drawing the diverse views of development experts from over 90 countries.

ECOSOC is also doing more to integrate its development work, choosing cross-cutting annual themes which lay the groundwork for each subsequent year: education in 2011;

employment in 2012; and science, technology, innovation, and culture in 2013.

As for sustainable development, I warmly welcome the commitment at the Rio Summit to strengthen the Economic and Social Council as the principal organ in the follow up of all conferences and summits. The summit has unequivocally recognized the Council's key role in the integration of the three dimensions of sustainable development.

We have to understand that this key role is for the whole ECOSOC system. All subsidiary bodies have to be geared up to pursue sustainable development. All the technical and substantive work should be done by the ECOSOC system.

The universal intergovernmental forum is meant for political engagement. It is a function and in my view, it is not meant to create supra structures nor a parallel system. I would like to caution against temptations to build new structures.

We should improve the current system. I believe there is immense room for improvement.

Now, let's press on with perhaps by imagining a future Substantive Session spread out across the year; neither shorter, nor longer in aggregate, but more focused and impactful instead.

We should also look at the priorities for aligning the work of all subsidiary bodies. Let's be bold and rethink agendas and working methods of the whole ECOSOC system.

Ladies and Gentlemen,

An effective post-2015 development agenda must be based upon streamlined development cooperation: targeted and improved financing, transparency, accountability, and much more.

Fortunately, ECOSOC's 3<sup>rd</sup> Development Cooperation Forum — to be held later this week — will encourage precisely that, sharing lessons-learned, promoting best practices, and bringing together key stakeholders from around the world.

Indeed the entire week ahead, from the National Voluntary Presentations to the DCF, to the interactive dialogues and thematic roundtable, to the final Ministerial Declaration, is an occasion not to be missed...

To help create the jobs and growth the world desperately needs; To make development more sustainable; and to advocate for decisive multilateralism, placing ECOSOC in its natural leadership role supporting global development efforts — a role which will only grow as the Council continues to strengthen and revitalize itself.

Thank you.

## Statement by Juan Somovia, President of the International Labour Organization

Thank you very much for the invitation to address this year's high-level segment of the ECOSOC with its highly relevant focus on the role of decent work in promoting inclusive, sustainable and equitable economic growth.

May I say how delighted I am to speak in this session with President Sauli Niinisto of Finland, Dato' Azman Shah Dato' Seri Haron, President of the International Organisation of Employers, Sharan Burrow, General Secretary of the International Trade Union Confederation, and Danielle Fong, Chief Science Officer and Co-Founder LightSail Energy.

We have a number of excellent reports which set out starkly the challenges we face.

The 2008 global financial crash unequivocally exposed the market and social failures of a growth and globalization model that became progressively inefficient.

Let me just mention a few realities.

First, the political consequences of unacceptably high levels of unemployment are ripping apart the fabric of many societies, both developed and developing. Young women and men are especially affected, with youth unemployment rates in some countries of over 50 per cent.

The signs of social discontent are very clear. They are telling us that growth with jobs, job intensive growth, is the priority of individuals, families and communities.

The fact that it is not happening is rapidly increasing in many places the disconnect between citizens on the one hand and government and private policy making on the other.

Trust in public and private decision-making has dropped significantly.

Second, the increasing financialization of the global economy since the 1980s has led to a progressive stagnation in productive investment in the real economy, rising somewhat in emerging economies but dropping in developed countries.

We need to reverse this trend and put the financial system at the service of the real economy.

Yet four years into the crisis, there is a feeling that many governments do not have the strength or the will to rein in the unaccountable power that financial operators have acquired over the life of our societies.

It still looks like some financial institutions are "too big to fail" while many people are "too small to matter".

Third, inequality has increased almost everywhere, leading to indecent levels of income and wealth concentration - just one figure: 3.5 billion people together have the same income as the 61 million richest individuals in the world.

These levels of inequality are no longer politically sustainable.

It's high time for a policy rethink.

One thing is clear we will not get out of the crisis with the same policies that generated the crisis.

I think we are at a turning point. Allow me to explain why.

We are entering an era of social and popular mobilization that aims to project the voice and demands of citizens into the heart of political decision-making. The financial crash of 2008 was not just an unfortunate accident on an otherwise safe road.

It was a pile up caused by several features of the still prevailing growth and globalization model whose values were shaped in the 1980s and picked up increasing speed from the 1990s onward and into the 20th century.

Until it went out of control.

And that's where we are today.

Suddenly, the beginning of the end of this cycle is abruptly upon us but a new model for fair, sustainable and inclusive growth and globalization has yet to be shaped.

Nobody today can confidently say where the global economy is going and who is responsible for guiding it towards a fairer, more stable world.

We find ourselves in what could be a prolonged period of uncertainty but also a potential period of creativity for the United Nations; governments and secretariat.

This is a moment for policy leadership by the United Nations.

Together we must grasp this opportunity to think creatively and construct a new growth pattern and set better rules for a fairer, greener and more sustainable globalization.

We need a global social contract, as called for by the Secretary-General; a global consensus around a new path for growth and globalization.

A path that is sustainable economically, socially, environmentally and, thus, politically.

This new path must serve the enduring UN goals of "we, the peoples", recently reaffirmed in Rio +20, -- freedom, dignity, security and equity.

To that end, we must combine the strength of markets, the responsibility of enterprises, the skills of workers, the incentives and regulations of public policies and the power of social dialogue

and civil society participation.

And above all, we need to think out of the box.

The focus of this Annual Ministerial Review is thus particularly timely and relevant.

Work is central to people's lives everywhere.

Elections turn on whether people have confidence in political leaders' ability to design and run an economy that delivers decent work.

When the world's leaders come together to discuss how to generate strong, sustainable and balanced growth, the litmus test of their success in the eyes of the citizens that send them to the Summits is "what is this going to do for jobs?"

I believe that in this extremely difficult task, global political concern over jobs can be a unifying theme for international cooperation. All countries are concerned by it.

Stronger policies to boost productive capacities, to create opportunities for decent jobs and to safeguard the incomes of working families are the launch pad for a new departure.

These policies are critical ingredients of a short-term response to the immediate political concern with the current job recession.

At the same time, they are central to empowering people and countries and strengthening their capabilities to develop, thereby setting solid foundations for more inclusive and sustainable growth over the long term.

The ILO's 2009 Global Jobs Pact, forged as the crisis was in full flood, and which has received generalized support, combines the experience of the actors of the real economy, governments, employers and workers organizations, with the lessons from tried and tested measures.

The Secretary General's main report for this AMR contains several examples of successful programmes and policy initiatives. We can build on those.

Let me mention two policy products recently developed by the ILO that build on the Global Jobs Pact.

First, tackling youth employment is a global imperative.

This was recently underlined in the outcome document of Rio+20.

In 2012, close to 75 million young people worldwide were out of work, 4 million more are unemployed today than in 2007, and more than 6 million had given up looking for a job. More than 200 million young people were working but earning under US\$2 a day. Informal, temporary and vulnerable employment amongst young people remains pervasive.

Disconnected youth can be a main setback to inclusive and stable growth as well as social

cohesion and democratic development.

At the ILO, we sought out the concerns of young people. We organized 46 national consultations with youth organizations involving 5000 youth leaders as part of preparing our most recent annual Conference which launched a Call to Action on youth employment.

I commend to you this policy proposal that was adopted unanimously last month at the ILO annual International Labour Conference. I believe it can become a major reference for action by the United Nations and the wider multilateral system.

It reflects the knowledge and experience of our government, worker and employer constituency but is also set in the perspective of a new growth and globalization pattern.

Second, effective social protection is a key component of policies to sustain aggregate demand and employment, enhance resilience to shocks and reduce poverty.

The Global Jobs Pact called for countries to draw on a basic social protection floor as one of the "economic" responses to the crisis.

In a broader development perspective, to establish social protection floors, respecting the diversity of country situations, is about promoting human dignity. Around 80 per cent of people in the world do not have social security - they lack a solid platform to keep progressing on a strong footing.

The time is ripe for acceleration in coverage in social protection, beginning with a broad-based floor. We have the tools and the agreement for action. Last month, a new international labour standard was adopted unanimously by the ILO constituents, to set out a strategy for building nationally defined social protection floors. We hope that ILO Recommendation 202 can give impetus to major national and international initiatives.

The visionary report of the United Nations advisory group set up by the ILO and led by Michelle Bachelet has helped enormously in building this new global consensus. UN agencies and international organizations have already started strengthening cooperation in this area.

As well as such targeted initiatives we urgently need improved coherence and coordination.

Recasting national policies to achieve quality growth will require a blending of macroeconomic and employment policies, trade and development policies, social and environmental policies.

Country experiences confirm that such policies have reduced the damage done by the crisis and speeded recovery.

The process that started last month in Rioto work towards the establishment of "sustainable development goals" should be seen as the occasion to build a growth and globalization framework that is more coherent and better integrates the critical economic, social and environmental dimensions.

Again, an opportunity for leadership by the United Nations for better policy integration.

An integrated approach on both policy formulation and policy implementation is essential if we are to progress towards inclusive, equitable and sustainable economic growth and development.

To conclude, I believe it is not only time for a policy rethink, we also need to reconstruct the institutions of global governance and how they connect to national systems.

And our national political systems must think long term, stop divisiveness and show their capacity to come together on key national and international issues, to reassure citizens that they are the priority for policy-making.

The multi-polar world we live in relies heavily on the multilateral system to offer broad-based advice on how a new policy approach could fit together.

I am thinking here of the system that includes the UN, the specialized agencies, the international financial institutions and the regional bodies.

We face the challenge of constructing a policy consensus in which countries make commitments internationally which both add up to a global strategy and make sense nationally.

Another way of putting this is to ensure that countries have the policy space to act according to nationally specific circumstances but that such actions are mutually supportive.

That puts a heavy responsibility on the multilateral system to improve its capacity to organize collective leadership. I see three interlinked components of the task we face.

First, we must refine and deepen the analytical capacity of the multilateral system to think in an integrated way.

It is the biggest source of collective knowledge we have on growth and globalization, except that it is not shared knowledge.

I believe we have underused the capacity we have, but I do see an opportunity in an overall response to the crisis, in the Rio +20 work and the reflections on the post 2015 agenda. But opportunities must be grasped.

Second, we must have the will to improve our negotiating and decision-making processes to make our system respond in a rapid and relevant way to current challenges which have the impact of different and diverse national realities.

Third, we must connect to people's concerns. That means listening well and acting quickly.

And this is ECOSOC's task – it was created to do the job of thinking, coordinating and acting.

I warmly welcome the strong and steady political support from the Economic and Social Council to the Decent Work Agenda, a fair globalization and the Global Jobs Pact.

Promoting policy dialogue, consolidating policy guidelines, disseminating lessons and encouraging international coherence are central tasks of ECOSOC and central tasks in crafting a growth and globalization framework.

We must ensure the Council is fully equipped, technically and politically, to take up the challenge of policy leadership.

So this is my last ECOSOC. I chaired your meetings two-and-half times and have long ago lost count of the number of sessions I have attended.

I am sure the ILO will continue to work closely with you and that together we can give the peoples of the United Nations the service they deserve.

## Dialogue A: Annual Ministerial Review- Productive Employment and Decent Work

Set against record unemployment, with some 205 million jobless globally, the Economic and Social Council launched its 2012 High-level Segment, featuring both the Annual Ministerial Review (AMR) and biennial Development Cooperation Forum (DCF).

The AMR, as its mission statement explained, focused squarely on jobs and growth: "Promoting productive capacity and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals".

The DCF, meanwhile, reviewed the latest development cooperation trends, to improve coherence, strengthen cooperation, and — above all — increase impact to reach development targets faster.

## Highlights of the Opening Session and Keynote Addresses

A distinguished line-up of speakers from the public and private sectors assembled, offering wide-ranging observations and proposals to kick-start sustainable growth and job creation.

Globalization, speakers pointed out, has lifted millions out of dire poverty, but also poses new challenges, such as the financial contagion witnessed in recent crises in the United States and Europe. Women and youth, moreover, have been hit particularly hard by the current global jobs crisis; ECOSOC must thus sharpen its focus on multilateralism which benefits the most marginalized, speakers agreed.

Sustainable development was another popular topic throughout the High-level Segment, coming, as it did, on the heels of the major Rio+20 Conference. UN Secretary-General Ban Ki-Moon, for example, argued that the long-term solution to slow growth and high joblessness is to “pursue a new model of growth within the framework of sustainable development...[one] enhanced by international cooperation.”

### Keynote Addresses: Highlights

#### **Mr. Tan Sri Dato' Azman Shah Haron, President of the International Organization of Employers**

Development programmes should include specific private sector elements in which businesses are able to grow, generate jobs and contribute to their communities. Sustainable, developing communities and developing economies can only be built on the foundation of sustainable enterprises.

#### **Ms. Sharan Burrow, General Secretary of the International Trade Union Confederation**

The Global Jobs Pact must be integrated with a social protection floor, which would do more to deliver on the Millennium Development Goals than any other effort to date. I urge the Council to provide leadership and make commitments to principles that have been lacking at other meetings.

#### **Ms. Danielle Fong, Chief Science Officer and Co-Founder of LightSail Energy**

“Entrepreneurship is the new education”. I urge the international community to do better in helping to create new jobs and in advocating an “entrepreneurial exchange programme”. This would be analogous to student exchange programmes that enable the sharing of ideas and education, and allow young entrepreneurs sufficient flexibility and mobility to go where they are most needed.

Striking the right balance, participants also agreed, between the need for adequate social and environmental protection, and the equally urgent need to liberalize labour markets and set entrepreneurs free, is no easy task.

Recognizing this, ECOSOC's 2012 Ministerial Declaration concentrated instead on creating a comprehensive blueprint on which to build future progress, while drawing attention to special challenges like youth unemployment and widespread "underemployment" (i.e. part-time work).

### **Policy messages from Annual Ministerial Review preparatory meetings**

Africa's small and mid-sized firms, for instance, face countless obstacles, from excessive red-tape, to a shortage of skilled workers. At the African Regional Meeting, a diverse group of regional stakeholders had considered how Governments, NGOs, and the private sector can work closely with small- and medium-scale enterprises (SMEs) to contribute to job creation.

The meeting focused on four areas of work: strengthening an enabling environment for job creation; promoting productive and sustainable jobs; promoting a model of inclusive growth; and sharing best practices and experiences. One of the conclusions that emerged from the deliberations was that Africa's solid growth had not been sufficiently inclusive to meet the needs of its growing population. Therefore, specific policies needed to be defined to capture the demographic dividend of **Africa's** growing youth and women cohorts. Policymakers must carefully evaluate and implement strategies for encouraging SMEs.

### **Keynote Addresses: Highlights**

#### **H.E. Mr. Erkki Tuomioja, Foreign Minister of Finland, speaking on behalf of H.E. Mr. Sauli Niinisto, President of Finland**

We need to secure strong and balanced economic growth, but growth alone is not enough. It should generate development within the boundaries of nature's carrying capacity. Economic growth should create equal possibilities for all to participate in the society and to acquire decent employment.

#### **Mr. Juan Somavia, Director-General of the International Labour Organization**

We need a global social contract, as called for by the Secretary-General; a global consensus around a new path for growth and globalization. A path that is sustainable economically, socially, environmentally and, thus, politically. This new path must serve the enduring UN goals of "we, the peoples", recently reaffirmed in Rio +20, -- freedom, dignity, security and equity.

To that end, we must combine the strength of markets, the responsibility of enterprises, the skills of workers, the incentives and regulations of public policies and the power of social dialogue and civil society participation. And above all, we need to think out of the box. It is not only time for a policy rethink, we also need to reconstruct the institutions of global governance and how they connect to national systems. The Council should be fully equipped, technically and politically, to take up the challenge of policy leadership.

For **Asia**'s export-led economies, boosting productive capacity is crucial to scaling the ladder to more lucrative, value-added industries. The Asia-Pacific Regional Meeting had identified both progress and challenges in the region's achievements towards reaching the Millennium Development Goals (MDGs). Its key message was that policy shifts may be necessary in the region to reduce export dependence, increase domestic demand, and place employment and decent work at the core of policymaking. The meeting also suggested various concrete measures to be taken towards achievement of the MDGs. Additionally, it recommended encouraging global and regional institutions to support making decent work and full employment an important goal of macroeconomic policies; exploring a more inclusive job-rich growth model; and strengthening regional cooperation to best utilize the region's experiences, practices and social capital.

In **Latin America**, meanwhile, policymakers have turned their attention to designing more comprehensive safety nets and protection floors to ensure that the benefits of the region's growth are more widely shared. Indeed, participants of the Latin America and Caribbean Regional Meeting agreed that in order to reduce social exclusion, decent work for youth must be sought.

Despite some successes, inequality, low incomes and youth unemployment had persisted in the region in certain sectors. There was a need to pursue macroeconomic policies to promote growth with equality. Social protection was the key to consolidate growth. In **Latin America**, SMEs did not export their goods, and had generated insufficient productivity gains to sustain economic growth. Educational programmes needed to become more focused and relevant towards professional training, enabling youth to be better prepared to enter the job market. A high-level panel had been set up at the regional level to promote youth unemployment.

Other AMR preparatory meetings helped concentrate minds, too. At the Council's winter Partnership event, a broad coalition of private sector representatives — from civil society, academia, and business, among others — discussed innovative ways to harness the power of public-private partnerships in support of development. And at ECOSOC's first-ever Youth Forum, young people gathered in New York to network, voice their concerns, and lobby governments to pay more attention to the grave employment and education challenges they face.

## National Voluntary Presentations

Each year, a handful of countries take to the stage to discuss their recent development efforts. In 2012, eight countries delivered National Voluntary Presentations (NVPs): Algeria, Brazil, Ecuador, Kenya, Mauritius, Qatar, Russia, and Ukraine.

**Algeria** began by explaining that its national development strategy has targeted four key areas over the past decade: “macroeconomic stability, labour market reforms, infrastructure, and industry diversification.” It’s a strategy which has already yielded big payoffs: in economic growth (6% a year in non-energy sectors from 2001-9), in jobs (unemployment fell from 30% to 10% over the same period), and in foreign debt (dramatically reduced).

Such progress was visible in many “quality of life” indicators, noted the country’s representative, such as a big expansion in the number of Algerian households with access to safe drinking water, sanitation, and electricity.

**Brazil**’s NVP focused on its “National Plan on Employment and Decent Work,” a strategy for broad-based, inclusive growth. The country’s sparkling economic record over the past decade, the country’s representative argued, owes much to the following: conditional cash transfers for health and education (‘Bolsa Familia’), a crackdown on corruption and child labour, continued privatization schemes, and a commodities-fuelled boom. It’s also a record which saw a staggering 15% (30m people) of the population rise out of poverty in under a decade. And in a country famous for its underground economy, some 17 million new formal-sector jobs were, likewise, created.

Looking ahead, major challenges include: upgrading the country’s ageing infrastructure, simplifying its byzantine tax code, and maintaining sound public finances.

**Ecuador**’s “National Plan for Living Well”, along with a new constitution adopted in 2008 — which enshrines the right to “decent work”, commits to ending all forms of child labour, and guarantees universal social security — formed the basis for its NVP talks.

Such initiatives, the country’s representative noted, have energized reform efforts in Ecuador. A few statistics are revealing. Since 2008, for example, poverty has fallen by 8%, while in the five years to 2011, the number of Ecuadorians covered by social security jumped by nearly 50%. Industrial relations have also become smoother, with a noticeable decline in the kind of paralyzing strikes which often ground the country to a halt in the past.

**Kenya**’s Labour Minister discussed his country’s “Vision 2030” strategy, which aims to lift Kenya into the ranks of middle-income nations by 2030, by

promoting “job creation through sound macroeconomic policies, improved governance, efficient public service delivery, an enabling environment for the private sector to do business, and through public investments and policies that reduce the cost of doing business.”

Pro-growth policies have helped Kenya’s young (mostly small) businesses thrive — which, since 2008, have accounted for nearly three-quarters of all net new jobs. Such policies include a “National Productivity Centre”, created in 2002, which has loosened red-tape, cut graft, and encouraged financial reform to widen access to credit.

Recent social protection measures, meanwhile, have included the establishment of a National Labour Board, the expansion of cash transfer and food subsidy programs, and the formal incorporation of the UN’s Universal Declaration of Human rights into the country’s constitution.

**Mauritius**’s NVP spotlighted education, specifically the country’s landmark 1977 law eliminating tuition for primary and secondary-level students. Today, Mauritius has joined the ranks of the world’s mid-income countries, thanks in no small measure to its well-educated workforce; productivity has also grown unusually fast, rising by over 3 percent a year from 2001 to 2011.

Rising prosperity, moreover, has provided the means to increase social spending, with government outlays jumping by 82% between 2004 and 2010. But continued growth, the country’s representative pointed out, will depend on diversifying beyond tourism and into things like financial services, manufacturing, and sustainable “blue economy” ventures.

Buffeted by vast oil reserves, **Qatar** enjoys fabulous wealth — and one of the world’s highest levels of per capita income. Yet the country still faces its share of challenges, including relatively high youth unemployment and weak education outcomes. Qatari students, for example, generally score lower on international tests in math, science, and English, than do their foreign peers in other rich nations.

Boosting labour force participation, especially among women, is another major government priority. One promising approach, noted the country’s representative, involves realigning pension incentives to avoid penalizing older workers for working longer. Yet such reforms will take time. For the foreseeable future, Qatar will continue to rely heavily on migrant workers and must therefore continue its efforts to make the country an attractive destination for both foreign labour and capital.

Since 2000, the year which saw the adoption of the Millennium Declaration, **Russia** has experienced an economic boom, fuelled largely by natural gas exports. Income per capita has soared as a consequence, nearly doubling, while the percentage of the population living under the poverty line has been cut by more than half.

Even more recently, sound public finances, including ample foreign currency reserves, allowed Russia to weather the 2008 crisis unusually well. At the same time, as the country's representative pointed out, urgent priorities persist, including: tackling corruption, cutting red tape, improving schooling, modernizing infrastructure, and weaning the economy off its dependence on fickle, commodity-led growth.

Finally, **Ukraine's** NVP presentation concentrated on the immediate past. Employment, the country's presenter noted, has nearly returned to its pre-crisis (2008) peak, helped, in part, by better vocational training and other forms of public assistance to job seekers.

Still other indicators, however, paint a more mixed picture. The percentage of Ukrainians spending over half their income on food is higher than only a few years ago, for instance. And in health, the country suffers from one of Europe's highest rates of HIV/AIDS infections.

## **Dialogue B: The world economy and the achievement of the Millennium Development Goals (MDGs)**

The world economy had not recovered from the 2008 global economic crisis and growth remains tepid with severe downside risks emanating from the euro-zone. Hard-won developmental achievements of the past decade are in danger of unraveling

## High-Level Policy dialogue with the international financial and trade institutions on current developments in the world economy

The world's economic prospects remain somber and challenging and the recovery of global employment remains a most important challenge.

Faced with weakening external demand and increased global uncertainties, developing countries and economies in transition are projected to see significant economic slowdown in 2012. More concerted and coherent efforts in national and international policy making will therefore be needed to break out of the vicious cycle of continued deleveraging, rising unemployment, fiscal austerity and financial sector fragility.

Some low-income countries enjoyed strong economic growth, including in sub-Saharan Africa. Despite that, many factors combined to create serious concerns for low-income countries.

### Policy challenges

Four major weaknesses in developed economies continue to feed into each other and conspire against a robust global economic recovery.

- **First, unemployment remains unacceptably high. It is both a cause and effect of the lack of economic recovery.**
- **Second, banks, firms and households continue to deleverage in attempts to improve their financial balance sheets. Regrettably, this is holding back a normal flow of credit supply, consumption and investment demand.**
- **Third, fiscal austerity measures, taken as a response to rising levels of public debt, are further deterring economic growth.**
- **And fourth, bank exposure to distressed sovereign debt and weak economy is perpetuating financial sector fragility, spurring continued deleveraging**

Recovery of global employment remains the most pressing challenge. Despite moderate improvements in some countries, the slowdown of global growth in 2011 and 2012 has posed new hurdles for employment creation.

## Youth unemployment

Long-term unemployment continues to rise in many countries. Furthermore, youth unemployment increased globally, posing a big challenge. Some 200 million people are unemployed globally. An additional 45 to 50 million jobs need to be created annually over the next five years only to return to pre-crisis employment levels. Nearly half of young people are suffering from joblessness in several parts of the world. At the present pace and pattern of recovery the world is not getting even close to this target. It is therefore important to develop far more supportive macroeconomic policies.

## Trade

National economic concerns inevitably gained visibility in times of recession and economic uncertainty, and the political will to open markets to foreign goods and services waned amidst rising fears about job losses and the viability of domestic industries. In such times, the temptation to resort to protectionist measures often grew stronger.

The rules and norms of the World Trade Organization are the strongest insurance against protectionist measures. It is essential to not only safeguard those rules but also to redouble efforts in trade-opening measures. Amid a serious economic situation in which trade is often a target for abuse, it is imperative to strengthen multilateral cooperation and find global solutions.

## Sustainable development

During the Rio+20 Conference, world leaders reaffirmed their political commitment for sustainable development. However, putting the global economy on a path of sustainable development will require massive amounts of both public and private investments. Finding the necessary resources will be challenging, especially for least developed countries.

## Official development assistance

In the midst of difficult financial times, many donor countries have cut back on development assistance. In 2011, aid flows declined in real terms for the first time in many years. The need for additional and more predictable development financing has led to a search for alternative, innovative sources. It is vital for donor countries to keep their commitments and continue supporting low-income countries.

## Post 2015 development agenda

Ensuring inclusive and sustainable growth over the coming decades will mean that issues of macroeconomic stability, employment, inequality and sustainability should be an integral part of the post-2015 international development agenda.

### Key messages

Globalization has lifted millions out of dire poverty, but also poses new challenges, such as the world financial crisis. Women and youth, moreover, have been hit particularly hard by the current global jobs crisis; Social protection for the most vulnerable people is therefore important. It is also critical to pursue a new model of growth within the framework of sustainable development; A growth model that must be accompanied with job creation. ECOSOC must thus sharpen its focus on multilateralism which benefits the most marginalized. The Council should use its mandate and legitimacy to ensure that G20 members resist protectionism, and to galvanize the necessary energy to keep trade open. ECOSOC should also align itself towards the post 2015 development agenda. Furthermore, the Council should achieve a balanced integration of the “three pillars” of sustainable development- economic, social, and environmental- as recognized in the Rio+20 outcome document.

## Recommendations

To advance a more robust, inclusive and environmentally sound economic recovery, four policy options are recommended:

- First, adjust fiscal policy stances to provide more stimuli in a coordinated manner. Many countries have the necessary space and should use it to the benefit of the world economy at large.
- Second, redesign national fiscal and economic policies more broadly, for greener, more sustainable economic growth, as recently agreed at Rio+20.
- Third, tackle the root causes of financial market instability by finding greater synergy between monetary and fiscal stimulus and by accelerating regulatory reforms of financial sector.
- And fourth, increase financial flows to developing countries, especially those with limited fiscal space and large development needs.

To stimulate growth, States must continue to open trade through small steps where possible. An agreement on trade facilitation is a possible outcome of the Doha Round of World Trade Organization negotiations. Reduced transit and transaction costs also will benefit small- and medium-sized enterprises in landlocked countries, particularly in Africa. As 60 per cent of global trade is in intermediate goods, trade facilitation procedures are essential to the competitiveness of all small, medium and large companies trading across borders.

It is also important to support the integration of least developed countries into the global economy by providing them with duty-free, quota-free market access and easing their accession to the World Trade Organization.

The Council should use its mandate and legitimacy to ensure that G20 members resist protectionism, and to galvanize the necessary energy to keep trade open.

## Dialogue C: 2012 Development Cooperation Forum

The deadline for the Millennium Development Goals (MDGs) is fast approaching. The context within which the Goals are to be achieved has changed in significant ways - environmentally, demographically and politically. As the composition of actors, approaches and flows continues to evolve, development cooperation needs to adjust, equipping itself with new tools to respond to current and new challenges.

The 2012 DCF provided an opportunity for Member States, representatives from civil society, parliaments, local governments and the private sector, as well as government officials and representatives of international organisations and UN agencies to review trends in international development cooperation and to consider appropriate responses.

More specifically, the discussion focused on the following themes: (1) the future of development cooperation, (2) the mobilization and allocation of development assistance (3) mutual accountability, (4) South-South cooperation, (5) the role of private philanthropic organizations and decentralized cooperation, (6) gearing development cooperation towards sustainable development post Rio+20, (7) partnering for the future of development, and (8) the future role of the Development Cooperation Forum.

## Highlights of Opening Statements

### **H.E. Mr. Miloš Koterec, President of the Economic and Social Council**

The ECOSOC President called on all participants to join forces for achieving poverty reduction and responding to new challenges in a rapidly evolving development landscape. He stressed that the DCF offered a unique opportunity to build strong and more balanced multi-stakeholder partnerships based on mutual accountability and trust. He encouraged participants to reflect on the future of development cooperation in response to Rio+20 and in view of a post-2015 development agenda, identifying the role and possible deliverables for the DCF. The President also underscored the important role of the ECOSOC in forging a more integrated and coherent post-2015 development framework.

### **Mr. Ban Ki-moon, Secretary-General, United Nations**

The Secretary-General saw collaboration, coherence and partnerships as critical to the achievement of development goals, particularly in the face of mounting challenges, such as high food and energy prices, climate change, and rising inequalities. The way development cooperation is designed and delivered needs to respond to the multiplicity of actors. The Secretary-General highlighted five key action areas: (1) accelerating efforts to achieve the MDGs and honouring commitments, even in times of fiscal austerity; (2) directing development assistance to countries and sectors most in need; (3) eliminating aid conditionality, which undermines national autonomy and leads to distortions in aid allocation; (4) strengthening mutual accountability and transparency for development results to better align development cooperation with the priorities of recipient countries; and (5) building on the commitment for sustainability to strike a balance between the economic, social and environmental pillars.

### **Mr. Sha Zukang, Under Secretary-General for Economic and Social Affairs, United Nations**

Mr. Sha presented the key findings of the report of the Secretary-General for the 2012 DCF. He stressed, in particular, that the gap between promised and delivered commitments continued to widen, amounting to \$167 billion per year; that seven of the 32 countries receiving debt relief under the HIPC initiative remained at high risk of debt distress with another 12 at moderate risk, and called for new ways to help countries in severe debt distress as the HIPC comes to an end. He called for further efforts to align development assistance with national priorities and noted that policy coherence continues to be a challenge. In terms of predictability and the impact of development cooperation, he called for improvements through better disbursement forecasts and effective allocation as well as a strengthening of mutual accountability through greater transparency and participation of all development partners. On South-South cooperation, the Under Secretary-General urged countries to learn from past experience and best practices. Finally, he reiterated the centrality of sustainable development for the future UN development agenda.

### **H.E. Senator Bob Carr, Minister for Foreign Affairs, Australia**

H.E. Mr. Bob Carr reiterated the need for cooperation to achieve the MDGs by 2015. He considered the DCF well placed to find new ways to make cooperation work better, emphasizing the following measures: (1) ensure sustained and predictable finance, especially for highly aid dependent countries, despite fiscal austerity; (2) draw lessons from experience, which suggests that broad partnership and joint action can reduce risks for disasters and build countries' resilience; and (3) support different types of cooperation with complementary sources of expertise, including South-South cooperation, so as to make sustainable development a reality. He noted that these themes were also reflected in the Rio+20 outcome document and discussed at the DCF Australia High Level Symposium.

## Highlights of Opening Statements

### **H.E. Ms. Marie-Josée Jacobs, Minister for Development Cooperation and Humanitarian Affairs, Luxembourg**

H.E. Ms. Marie-Josée Jacobs stressed that tackling global challenges requires a global coalition which includes traditional and new donor countries as well as non state actors, building on the capacities and comparative advantages of each actor. She underscored that development assistance will continue to be essential to finance development, but that it needs to be used more effectively and strategically to leverage other financial flows. She highlighted the important role of inclusive finance (e.g. through micro-credit, micro-savings, micro-insurance and cash transfer) in poverty reduction. Public-private partnerships, under specific conditions, can also have enormous potential for development cooperation and sustainable development. In closing, she noted that a collective response should promote equitable sustainable development as an investment in a common sustainable future, while recognizing countries' different realities at different stages of development.

### **H.E. Mr. Nhlanhla Nene, Deputy Minister of Finance, South Africa**

H.E. Mr. Nhlanhla Nene said that development cooperation will continue to be necessary because poverty had not yet been eradicated. He observed that in an interconnected world, development, peace and security had become interrelated global issues. The responsibility for development is broader with non-traditional providers taking on a greater role. The strive towards aid independence and the welcome transition from aid effectiveness to development effectiveness should be guided by the Paris Declaration principles. He identified an urgent need to refocus on real aid, one in which aid dependency would be reduced and development results achieved. He called for a Marshall Plan to face current global challenges as well as for new and inclusive global multi-stakeholder partnerships for sustainable development, and a new balance of power.

### **H.E. Mr. Li Baodong, Permanent Representative of the People's Republic of China to the United Nations**

H.E. Li Baodong reiterated that achieving the MDGs by 2015 remained a critical goal, which requires sustainable and balanced growth and an effort from all sides to put the Monterrey Consensus into practice. He highlighted the important contribution of South-South cooperation, by enhancing trade capacity and opening up markets for developing country exports. He reiterated that South-South cooperation is not a substitute for traditional cooperation. As clearly stated in the Busan outcome document, it differs from North-South cooperation; thus the Paris Declaration principles do not apply. According to Mr. Li, South-South cooperation is based on principles of mutual respect, equality, national ownership, special cultural ties, non-interference, non-conditionality, and a more flexible response to the needs of developing countries. Some of these principles were also spelled out in the Chinese White Paper on Foreign Aid.

### **Ms. Michelle Bachelet, Executive Director, UN WOMEN**

Ms. Michelle Bachelet stressed the importance of the MDGs as a majority of humanity still lived in precarious conditions. This requires re-engaging with middle income countries (MICs) where the majority of the poor live today. She also recognized that the development cooperation architecture has changed with the emergence of new actors, new partnerships and new cooperation modalities, requiring greater coordination and accountability as well as greater policy coherence. Ms. Bachelet also saw the 2014 DCF, placed between Rio+20 and the post-2015 debate, as an opportunity to mainstream sustainable development in a post-2015 Development Agenda and to ensure that it is people- and women-centred.

## Drivers of Change: What is the future of development Cooperation?

Development cooperation should focus on reducing aid dependence and putting developing countries on their own path to development. Quality assistance which supports capacity building and strengthens a country's ability to mobilize domestic resource can help pave the way towards aid independence. On the other hand,

### Key messages

- Development cooperation should work towards long-term aid independence. Quality aid can make an important contribution in helping countries to reach long term aid independence;
- Donors must honour their aid commitments while partner countries must strengthen their capacity to mobilize domestic resources;
- In a rapidly changing world, there is a need for a new development agenda underpinned by a new global partnership for development;
- Achieving food security, ensuring access to clean energy, and promoting gender equality and the empowerment of women should be at the top of a future development agenda;
- More also needs to be done to strengthen coherence between aid and non-aid policies;
- All actors need to be held accountable. The DCF can offer forum for dialogue on key trends in development cooperation and hold actors accountable.

“bad aid”, such as expensive technical cooperation, tied aid, aid-for-trade and micro-managed projects, makes a much smaller contribution to self-reliance.

Donors need to honour past commitments to accelerate MDG progress and to reduce long-term aid independence. In addition, innovative ways need to be explored to mobilize additional resources. Partner countries should mobilize domestic revenue, including by enhancing revenue administration and public financial management. Such efforts need to be complemented by collective action against

tax havens, tax avoidance and all forms of capital flight.

Participants also recognized that there is a need for a new development agenda to address new and emerging challenges. The Agenda should be underpinned by a new global partnership for development. Such a global partnership should remain true to the principle of national ownership.

Achieving food security is essential to eradicate poverty and make progress on all other MDGs. Ensuring access to clean energy is a prerequisite for social and economic development. Promoting gender equality and the empowerment of women is critical not only to promote human rights but also to unlock an enormous economic potential.

There is a need to ensure greater coherence between aid policies and non-aid policies that have a development dimension, such as technology transfer and capacity building. It was also suggested that the DCF should help to promote greater policy coherence between aid and non-aid policies of donors as well as within developing countries. Placed between Rio+20 and the post-2015 debate, the 2014 DCF was seen as an opportunity to further mainstream sustainable development in a post-2012 UN Development Agenda. It was proposed that the DCF's role vis-à-vis a new development agenda should be to hold development partners accountable for addressing all three pillars of sustainable development.

## Can development cooperation be more equitable, efficient and strategic?

The geography of poverty is changing. Today, 75 per cent of the world's poorest live in middle income countries. Reducing poverty is therefore no longer only about redistributing wealth between the North and the global South but also increasingly a question of redistribution of wealth within MIC, many of whom are plagued by rapidly rising inequalities.

Over the past years, there has been a reallocation of development assistance. Today, less aid is going to middle income countries while more assistance is being provided to low income countries. Aid is also increasingly weighted to countries emerging from conflict.

### Key messages

- The geography of poverty is changing. Today, 75 per cent of the world's poorest live in middle income countries
- At the same time, less aid is going to middle income countries while more assistance is being provided to least developed countries;
- Aid is not allocated efficiently. Better information on countries that are under-aided based on their needs and performance could result in better aid allocation;
- Both least developed countries and middle income countries need continued support but the kind of support needed differs;
- Not only the quantity but also the quality of aid provided matters.

Both low income countries and middle income countries will need continued support. Low income countries, many of whom remain heavily aid dependent, will require aid as resource transfers. Middle income countries on the other hand will primarily require capacity building and knowledge sharing to build their own capacities.

There is no global aid allocation mechanism. As a result, several countries are still under-aided, both in terms of their needs and performance. While aid allocation decisions will continue to be taken in a decentralized manner,

influenced by broader political considerations, better information on countries that are under-aided could result in better aid allocation. Civil society has called for a human-rights-based framework to allocate aid.

While the quantity of development assistance to least developed countries has increased its quality has been lower compared to other recipients. More efforts are needed to enhance predictability, reduce fragmentation, untie aid and increasingly use budget support. Moreover, the importance of finding the right balance between short term and long term approaches to secure citizen buy in while ensuring the sustainability of development results was highlighted.

It has been proposed that the DCF could explore the open question of how to allocate aid between countries at different stages of development; how development cooperation can effectively catalyse other sources of finance to reduce long-term aid dependency; and how to use development cooperation to promote gender equality and the empowerment of women.

## **How can development cooperation serve as a catalyst for other sources of development financing?**

The discussion highlighted that aid will continue to be necessary, especially in LDCs. At the same time, it was stressed that aid needs to be used more strategically and effectively. In an economic climate marked by fiscal austerity, using aid as a catalyst for mobilizing alternative sources of development finance - both domestic and external - assumes even greater importance.

The mobilization of domestic resources is critical to reduce aid dependency in developing countries. At the country level, doing so will require tax policy reform and strengthened institutional capacity in revenue administration and public financial management. The tax base needs to be broadened by reducing tax evasion/avoidance.

By creating and supporting enabling institutions, legislation, good governance and transparency, countries can encourage external capital flows. To promote private investment, development cooperation could also encompass other instruments to guarantee risks, including public-private, and private-private partnership.

Currently, the majority of capital flows go from developing to developed countries. This trend should be reversed. Moreover, private capital flows should be properly managed to reduce volatility and to ensure that private flows serve the purpose of development. An instrument to hedge against credit risks should be put in place.

### Key messages

- Aid remains necessary but must be used more strategically and effectively to help mobilize other sources of development finance. Used effectively, it can help reduce aid dependency;
- Private capital needs to be managed properly to ensure that it contributes towards a country's development;
- A reform of tax and custom systems together with global efforts to eliminate tax havens and illicit capital flows are central in mobilizing domestic resources;
- Greater financial inclusion and the phasing out of inefficient subsidies can help mobilize additional domestic resources.

Supportive measures need to be adopted to transform domestic financial markets and to promote greater financial inclusion. Smarter social protection schemes can replace inefficient subsidies with better targeted measures, such as cash transfers, thereby generating additional fiscal space for social expenditure.

## Making Accountability Operational: practice and perspectives

### Presentation of key findings of the DCF survey on mutual accountability by Mr. Sha Zukang's, Under Secretary-General for Economic and Social Affairs, United Nations

Political leaders regularly promise the transparent delivery and use of aid. Yet in practice, many commitments remain unfulfilled. In particular, countries heavily dependent on aid are often at a disadvantage in holding donor countries to account. As a result issues such as conditionality, tied aid or predictability are not fully addressed.

Mutual accountability has to be a two-way, balanced and inclusive process. Donors have to become more responsive to partner countries' needs. Partner countries need to invest in the development of management capacities to reduce corruption and fiduciary risks.

A further strengthening of mutual accountability mechanisms and a more systematic inclusion of all actors will lead to more balanced partnerships between recipients and donor countries and strengthened domestic ownership.

Each programme country must follow its own path in putting in place accountability structures. At the same time, universal values and analytical findings and experiences hold some valuable lessons. A UN survey prepared for the DCF identified five key elements of effective mutual accountability mechanisms:

- An agreed national policy that spells out how aid should be delivered, allocated and monitored with a clear description of related governance processes, such as chairing and reporting arrangements for sectoral working groups and national level discussion fora;
- A locally driven framework with performance targets for individual providers and the government to monitor quality and results;
- A yearly analysis of progress towards these results and a high-level setting to discuss them;
- Meaningful participation of parliamentarians and national civil society; and
- Comprehensive information on the quantity and quality of development cooperation. Efforts to enhance accountability between countries are only legitimate if they build on strong and inclusive ownership.

#### **Key messages**

- Addressing power imbalances in development cooperation is an important prerequisite for more effective, trust-based development partnerships;
- Mutual accountability helps to enhance the effectiveness of development cooperation by strengthening partnerships between recipient and donor countries;
- Lack of transparency is a major obstacle. Global initiatives can serve as a meaningful remedy;
- There is no blueprint for an effective mutual accountability mechanism. Nevertheless, successful mechanisms often share similar characteristics;
- The DCF has been urged to set in motion a process to review progress on accountability and transparency made at national, regional and global levels.

## Interactive debate on mutual accountability

Accountability relationships should be designed to ensure that governments are primarily answerable and responsive to their own citizens. This requires actors beyond the executive branch of government to be engaged in a meaningful way. Civil society actors need to be given sufficient policy space to promote a human rights-based approach to development.

Parliaments need to be provided with the appropriate tools to hold the executive accountable. Without national aid policies in place which include specific performance targets in line with national development priorities, parliaments will not be able to carry out their oversight function. Moreover, limited resources and capacity, lack of access to information and legal barriers to review loan agreements all make it difficult for Members of Parliament to provide effective oversight. To rectify this, Members of Parliament participating in the DCF encouraged donors to also make development cooperation agreements available to them.

Evidence shows that a transparent and more inclusive process to prepare the national budget enhances ownership, transparency and accountability. Reporting all aid on budget can help avoid misappropriation. Devolving authority to different government entities to negotiate directly with providers can reduce transaction costs and layers of bureaucracy. By using country systems rather than their own parallel system donors can help reduce administrative costs.

At the 2008 DCF, Member States called for a strengthening of mutual accountability processes at the country-level through the sharing of good practices and the further strengthening of national capacity and leadership. The call for a strengthening of national mutual accountability processes was reiterated both at the 2010 and during the preparations for the 2012 DCF.

### Key messages

- A global framework for mutual accountability must take shape to promote progress on the ground;
- Accountability cannot be partial. It must involve all actors;
- Strong parliamentary engagement is key to promote and connect national and international accountability;
- The national budget should be the central entry point to promote accountability;
- The DCF should expand on its role as a driver for greater national and global mutual accountability

Today we know from UN surveys and other evidence what is needed to advance mutual accountability. Member States can use the DCF to present progress and

challenges to implement mutual accountability on a voluntary basis with participation of all relevant national stakeholders. Some suggested that the forum could serve to learn more from developing countries.

It was also suggested that the DCF should support individual countries in their efforts to create or strengthen mechanisms and dialogue platforms. It was also proposed that the DCF should develop a model aid policy that countries can use as a template for their own efforts, building on analytical findings.

## Mutual Accountability in post-conflict countries and countries in vulnerable situations

The lack of confidence and trust among stakeholders and weak institutional capacity make it especially complex to make progress on mutual accountability in conflict countries. The need to respond, at the same time, to ongoing crises and support long-term sustainable development, through national ownership and capacity, makes mutual accountability a critical driver of change in these settings.

The recommendations of the Fourth United Nations Conference on Least Developed Countries and the New Deal for Engagement in Fragile States, adopted at the Busan High-level Forum on Aid Effectiveness, provide relevant guidance to implement mutual accountability.

Progress was judged to remain uneven and heavily dependent on country contexts. By providing a light but useful way of building confidence among stakeholders, compacts have proven useful in some circumstances. However, in other countries they have produced weak results.

Some progress can be observed. Donors are willing to be more transparent about the aid they provide. Programme countries are making further efforts to strengthen national institutions of accountability. Capacity development remains the top priority to strengthen resilience in the near future.

Participants identified inaction as the greatest risk. They called upon provider countries to rally public opinion in support of innovative ways to manage risk rather than retreat from crisis and post-conflict situations.

### Key messages

- Realising progress in mutual accountability in post-conflict and vulnerable situations has proven particularly difficult;
- Mutual accountability in post-conflict and fragile situations is highly context-specific;
- The Fourth United Nations Conference on Least Development countries and the New Deal for Engagement in Fragile States provide important pointers.
- The multiplicity of domestic and international accountability relationships and their diverse roles in changing behaviour must be realized by all actors;
- While overall progress has been disappointing some welcome signs of progress on mutual accountability can be observed;
- The growing risk aversion by donors was seen as fuelling skepticism on aid effectiveness, thereby adding pressure on fiduciary issues and corruption.

A main challenge in conflict countries is to broaden accountability beyond government-to-government partnerships and to integrate parliaments, civil society, the general public and local beneficiaries in decision-making. Achieving accountability of multilateral institutions in such country situations is particularly complex.

The workshop also emphasised the importance of being realistic and recognize that aspirations can easily exceed what is achievable.

## Mutual accountability and transparency in Africa: progress and challenges

Efforts to promote accountability and transparency are well under way in Africa, despite slow and uneven progress. While building blocks for accountability are widely known, the main challenge is one of implementation.

Mutual accountability should build on meaningful engagement of citizens to promote an effective and targeted use of development cooperation. Domestic accountability should go beyond external assistance and cover all domestic resources allocated to development.

Successful examples of citizen engagement include “poverty hearings” or “accountability screenings” in the education sector. Development cooperation should support citizen engagement. “Green accountability”, to ensure intergenerational justice, is another growing concern that must be better addressed.

### Key messages

- The challenge in Africa is one of implementation;
- Moving towards more balanced development partnerships remains a major challenge. An increased use of country systems can help address such imbalances;
- Policy makers should make strengthening domestic accountability a priority. Positive examples already exist;
- Heavy investment, including in modern technologies, will be needed to equip all actors with the necessary tools to strengthen accountability;
- Encouraging examples of mutual accountability exist and should be shared more widely;
- A minimum African standard for mutual accountability should be adopted;
- The DCF should support the development of an African minimum accountability standard.

A strong statistical base is essential for making effective policy recommendations. Africa must invest heavily in data collection, analysis and interpretation, and dissemination to equip all actors with the necessary tools for accountability.

A minimum African standard for mutual accountability is critical as a base line to promote accountability, peer exchanges and to provide more targeted capacity development. Regional mechanisms, such as the African Peer Review Mechanism (APRM) and the Comprehensive Africa Agriculture Development Program (CAADP) hold valuable lessons.

The DCF should continue to monitor development cooperation commitments to the Continent, share good practices and promote the development of full-fledged mutual accountability mechanisms. An African standard can provide the basis for independent assessments of progress of all actors in different country contexts. It would also enable the region as a whole to better address the behaviour of individual providers.

## Strengthening development cooperation in the Pacific: what can regional compacts contribute?

The Pacific Islands, in spite of receiving the highest per capita ODA worldwide, have made the least progress in development and remain the second least likely region to meet the MDGs by 2015.

### Key messages

- Despite the highest per capita ODA worldwide, Pacific Islands are lagging way behind in terms of MDG achievement;
- The Cairns Compact has been a quantum leap in strengthening mutual accountability;
- Aid quality and coordinated partnerships have advanced since the creation of the Cairns Compact;
- Better division of labour between donors has helped to lighten the administrative burden;
- Great emphasis is being placed on country ownership and leadership;
- The peer review is a hallmark of the Compact's success;
- The inclusion of non-executive stakeholders and the promotion of public-private partnerships are key priorities for the Compact.

The Cairns Compact on Strengthening Development Cooperation between the Pacific Islands and multiple providers is considered a quantum leap towards mutual accountability and the tracking of aid allocation. The regional compact takes into account elements of both national and global initiatives. The Pacific Islands Forum promotes good practices, with donors and recipients as equal partners.

All Pacific Island countries have developed national strategic frameworks to

reform public financial management, promote transparency charters and strengthen inclusive approaches, adjusting global recommendations to strengthen mutual accountability in a regional context.

The Pacific Island Forum relies on every country to define its own development priorities and highlight their current needs. The Forum assists countries in developing policy matrices that elaborate the roles of all development cooperation actors.

Donor coordination is considered a central outcome of strengthened mutual accountability in the region. Instead of “lead donors”, actors in the region talk about “donor coordination” partners. Participants also highlighted that public-private partnerships have expanded since the Compact was set up. Further partnerships were expected in follow up to Rio+20.

The peer review mechanism is considered to be a major strength of the Pacific Islands compact. While peer reviews rely heavily on country ownership and leadership, the countries review each others’ performance.

## **Good practices and lessons learned in South-South and Triangular Cooperation**

SSC is considered to be a useful complement to traditional North South cooperation. Southern providers have repeatedly pointed out that SSC is not governed by the same rules as traditional aid, as it has its own modalities. To fully reap the potential of SSC it is important that SSC is demand driven and responds to the development needs of the recipient country.

With its focus on infrastructure, SSC broadens the availability of development assistance, which in the past years had increasingly been focused on social issues in support of the MDGs.

SSC is seen as an opportunity to gain greater independence from a limited number of donors.

Unlike the decades of research on the effectiveness of ODA, little is known about the effectiveness of SSC, other than a few stylised facts such as its faster speed of delivery, greater space for sovereignty, the transfer of appropriate technologies and a more harmonious approach to development. The need to go beyond anecdotal evidence and case studies was recognized.

Partnerships with neighbouring countries at a similar level of development seem particularly beneficial. SSC is particularly valued for its large multiplier effect, as technical experts hand over relevant skills and technology to their counterparts.

While South-South cooperation has many comparative advantages some have questioned its contribution to poverty reduction. Some participants called for additional efforts with regard to transparency, incorporating projects within national programming, establishing an effective dialogue with civil society, carrying out a thorough evaluation of results, and promoting effective technology transfer and diffusion. Concerns relating to the extraction of raw

materials and commodity prices, were raised, given the importance of the primary sector's role in developing countries.

Panelists underscored the role of trade relations as the driving force behind Southern integration. South-South trade is especially strong in Asia, which accounts for 80 per cent of the total South-South trade, reflecting global supply chains in electronics. It is less clear to which extent South-South trade is contributing to a strengthening of developing countries' productive capacity.

Discussions highlighted the role of multilateral organizations, such as the Islamic Development Bank (with a membership that comprises both providers and recipients) as a helpful platform and model for South-South cooperation as well as traditional development cooperation.

#### Key messages

- SSC is a useful complement to traditional development cooperation with its own modalities. It provides developing countries with additional options;
- SSC between countries at similar stages of development seems particularly promising;
- SSC should build on its comparative advantages;
- It should also be acknowledged that SSC has its limitations;
- SSC can be traced back to strong trade relations and monetary and financial cooperation;
- Regional and multilateral organizations can serve as facilitators of SSC.

## Institutions for South-South development cooperation – emerging trends

SSC is a dynamic form of cooperation with many new opportunities. Open dialogue, especially with champions in the region, is particularly relevant for the institutional development of South-South cooperation. In this regard, regional platforms are vital to identify priorities, address specific regional challenges which South-South Cooperation is facing and to promote effective triangular development cooperation.

South-South cooperation agencies have to strike a balance between filling gaps that may include high risk investments and their ambition to become visible as global players in development cooperation. Focusing on visibility in post-conflict and vulnerable situations, where it is important to reinstate trust in the government to provide it with policy space, can undermine the effectiveness of the assistance.

Participants reaffirmed the relevance of an effective institutional structure for South-South cooperation. Triangular cooperation actors emphasized their advantage in brokering between all providers to develop a new global development partnership. Any such global arrangement should involve all relevant actors in provider and programme countries, be supported by a specialized set of legal rules, and adequate funding, for example in the form of a

specialized fund or seed funding for triangular development cooperation. Such global arrangements could also help recipient countries to better coordinate among different actors and maximize synergies in their partnerships.

Southern providers noted that the DCF and other United Nations fora are best placed to facilitate discussions on how to systematize South-South development cooperation, promote synergies and to exchange good practices.

### Key messages

- Southern providers place great emphasis on a frank exchange of knowledge, experiences and lessons learned through horizontal partnerships;
- South-South cooperation agencies should respond to demands from programme countries and be people-centred;
- Harmonized institutional arrangements are key to systematize and optimize South-South development cooperation procedures. The DCF can play a role at global level.

## Global development cooperation: the evolving role of private philanthropic organizations and decentralised cooperation

Private philanthropic organizations (PPOs) can take on greater risks, including the risk of failure. This allows them to pilot innovative approaches.

### Key messages

- Unlike other actors, PPOs can pilot innovative approaches and take risks;
- By engaging in multi-stakeholder partnerships PPOs can help scale-up successful projects;
- The development impact of PPOs should be assessed and an effective exit strategy should be put in place;
- There are limits to what philanthropic organizations can deliver;
- The DCF can provide a platform for the more systematic inclusion of PPOs in international development cooperation.

As with traditional development, a key challenge is to ensure that philanthropic activities meet the needs of recipients. While the PPO can help to build develop expertise and an appropriate technology, its efforts should be rooted in

local knowledge. From the outset, it is important to define an exit strategy to ensure the sustainability of the project without continued external assistance.

Accountability should be embedded through a cooperative approach which includes all major stakeholders. Planning, monitoring and evaluation, as well as transparency are important in the different phases of the project.

Private resources are not a panacea. PPOs might face limitations in providing contributions to global public goods or in situations of severe political stability. However, if governments provide the right framework, PPOs can also make an important contribution to these issues.

The DCF was welcomed as a place for frank discussion where different stakeholders can compare notes and offer practical recommendations how private philanthropic organizations can capitalize on their comparative advantages. It was highlighted that the inclusive discussions of the DCF help foster consensus and collaborative solutions.

The post-2015 framework and the follow-up to Rio+20 will provide important opportunities to involve PPO more systematically in development cooperation.

## Decentralized development cooperation

With increasing urbanization, the role of local governments as a catalyst for local development has gained greater recognition. With their extensive knowledge of the development context, settings and challenges, local governments are often best placed to detect new obstacles and identify targeted and innovative solutions, including through partnerships with the private sector and citizens.

### Key messages

- Strategic alliances among local governments and municipalities are a vital pillar of international development cooperation;
- The comparative advantages of local governments must be better harnessed, especially as they face new developmental challenges;
- Decentralized development cooperation can be an excellent catalyst to identify developmental priorities, but more capacity development is needed;
- Active engagement of local governments at the regional and global level through networks and representatives is critical to promote the effectiveness of decentralized development cooperation;
- Attention is shifting towards the South-South dimension of decentralized development cooperation.

Examples show that a common vision for local development, enshrined in a plan of action, can boost activities at local level. Yet, increased and more direct financial support is key to build capacities and encourage greater engagement of local government actors.

To improve the quality of decentralized development cooperation, in line with international standards

and benchmarks, engagement through multilateral frameworks will be critical in future.

Multilateral frameworks can help multiply and replicate experiences of local level actors.

Partnerships between local actors in the North and South constitute a vibrant fibre of development. They tend to be long-term, as they frequently go beyond legislative periods and are often underpinned by strong personal ties.

There has been a trend more recently of increasing development cooperation between cities in lower middle income countries. Since they often share common challenges, they benefit from structured exchange of experiences, with support from global or regional networks.

## Gearing global development cooperation towards sustainable development – where do we go from Rio+20?

Participants would have liked to see a more ambitious outcome for Rio+20. At the same time, several speakers noted that Rio+20 provided a useful roadmap by initiating important follow-up processes. A key concern, particularly emphasized by developing countries, was the lack of financial commitments to implement the outcome document.

### Key messages

- A more ambitious outcome would have been preferable but Rio+20 provides a helpful roadmap;
- The world needs an institutional framework for sustainable development that is commensurate to the challenge at hand;
- Putting the world on a more sustainable development pathway implies a new way of looking at development progress;
- The transition to the green economy entails costs as well as opportunities; Transitioning towards a green economy will require additional financial resources.
- To remain relevant, the United Nations needs an agenda which responds to current and future challenges;
- With its universal membership, the UN is the right forum to define a global post-2015 UN development agenda.

The need to strengthen the institutional framework for sustainable development was recognized. The establishment of a new universal forum at a high level was seen as an opportunity to overcome the environmental bias of the Commission for Sustainable Development. The potential of ECOSOC to secure a balanced consideration of the three dimensions of sustainable development was highlighted. Stakeholders also welcomed the strengthening of UNEP.

Transitioning towards a green economy will create

a multitude of opportunities but also costs – both human and financial. The

promotion of social protection floors and social dialogue between workers and employers is crucial to deal with the downside effects of the transition.

The transition towards a green economy will require additional resources. The Monterrey Consensus should serve as a starting point when developing a sustainable development finance strategy. While the Rio principle of common but differentiated responsibilities remains valid, emerging economies expressed their readiness to make an increased contribution in line with their enhanced capabilities.

## **“Forging Ahead”: Partnering for the future of development**

A post-2015 UN development agenda, while based on the Rio principle of common but differentiated responsibilities, should be universal - applying to both developed and developing countries. It should be rooted in the Universal Declaration on Human Rights and continue to strive for poverty eradication at its core. The work on a post-2015 UN development agenda and the GA process of establishing SDGs should converge. Outcomes of other major UN review conferences should also be taken into consideration when developing a post-2015 UN development agenda.

A post-2015 development agenda needs to recognize the new conditions and respond to the crises which the world is facing today. It also needs to take into consideration the new capabilities of emerging donors and the increasingly important role of non-executive stakeholders in development cooperation.

A strong focus on country ownership and leadership on the side of recipients and efforts to reduce the administrative burden on the donor side should be maintained. As Southern providers are taking on an increasingly important role, they need to be included more effectively in international development efforts.

Further to Rio+20, participants recognized the need to reflect on the kind of development cooperation needed to promote *“The Future We Want”*. They

### **Partnering for the future of development**

- A post-2015 development agenda must respond to prevailing challenges and reflect the changing development landscape;
- It should also reflect the ongoing shift in the development mindset from traditional donor recipient notion to more balanced partnerships;
- There is a need to reflect on the kind of development cooperation we need to realize the “Future We Want”;
- Ongoing efforts to develop a post-2015 development agenda must be brought together at the United Nations.

noted that a future development agenda should have realistic goals and that commitments in support of the agenda should be certified and met. Civil society representatives called for a future agenda to be rooted in a Human Rights Based Approach.

With its Universal Membership the United Nations was seen as the natural home for the formulation of a post 2015 UN development agenda. It was pointed out that, as the international community is developing a new post 2015 development agenda, it is important to ensure complementarity between the three most important fora reviewing trends in development cooperation: the DCF, the G20 Development Working Group and the newly launched Global Partnership for Effective Development cooperation.

## The evolving role of the DCF

ECOSOC in general and the DCF in particular can play an important role in the development of a post-2015 UN development agenda. More specifically, stakeholders felt that the DCF can help ensure coherence between future sustainable development goals and a post-2015 UN development agenda.

Participants highlighted the need to link the work of the DCF with other major fora such as the Group of 20 and the Global Partnership on Effective Development Cooperation, including by holding meetings back-to-back with DCF-related events. The Republic of Korea and the co-chair of the Working Party on Aid Effectiveness suggested that the scope of the existing cooperation between the DCF and the Busan Global Partnership could be extended.

Participants also highlighted the important role of the DCF in promoting mutual accountability at the global and national level. It was suggested that the DCF could support individual countries in their efforts to create or strengthen mechanisms and dialogue platforms to enhance accountability between donors and recipients as well as domestic accountability. It was also proposed that the DCF could develop a model aid policy that countries can use as a template for their own efforts, building on the analytical findings of country-level policy dialogue and capacity-building processes supported by the Forum. The DCF could also

### Key messages

- ECOSOC in general and the DCF in particular can play an important role in the development of a post 2015 UN development agenda;
- The DCF should continue to serve as a universal multi-stakeholder platform for policy dialogue and knowledge exchange;
- The DCF can provide a platform for discussion on the future of development cooperation;
- The DCF should expand its work on mutual accountability and South-South cooperation

provide support to the development of a minimum African standard for mutual accountability in development cooperation.

The DCF was also seen as an important vehicle to engage Southern providers more effectively, with Southern providers generally preferring to engage in a dialogue on South-South development cooperation in neutral forum like the DCF.

On the future role of development cooperation in the changing development landscape, participants proposed that the DCF could strengthen its focus in the 2012-2014 cycle on the issue of reducing aid dependency including the potential of aid to leverage non-aid resources. They also called for greater emphasis on the issues of policy coherence and gender equality.

Civil society called upon stakeholders to adequately fund the DCF to enable the Forum to reach out to LDCs, SIDS and civil society as a whole. The DCF could use its convening power to further civil society space across the globe.

Participants cited the DCF as an example of how the Council has added to its vibrancy.

**Dialogue D: Quadrennial Comprehensive Policy review  
(QCPR) and Delivering-as-One**

## Operational Activities Segment, 13 - 17 July 2012, New York

The Operational Activities Segment of the 2012 substantive session of ECOSOC served as a key venue for policy dialogue on issues likely to feature prominently in the upcoming deliberations of the General Assembly on the quadrennial comprehensive policy review (QCPR)<sup>1</sup> of operational activities for development of the United Nations system. The outcome of the QCPR deliberations of the Assembly will establish the mandate and framework for the UN development system for the period 2013 to 2016 and beyond.

The dialogue between the Council and national policy-makers, the heads of UN agencies and the representatives of the bureaus of governing bodies of the funds and programmes pointed to the need to rethink the future role and business model of the UN development system as both the development cooperation landscape and the needs of programme countries have changed significantly in recent years.

The diversity of economic, political and social contexts in programme countries means that the UN system needs to be able to engage with countries via “differentiated platforms”. The “entry point” or sequencing of the support provided by the UN development system might differ from country-to-country. The sustainable development paradigm has also become a driver of change for the UN development system. Looking toward the future, there is also growing recognition of the need for the UN system to revitalize its norm- and standard-setting role.

The paramount role of the UN in countries in transition from relief to development cannot be overemphasized. Assisting countries in the process of national reconciliation and meeting people’s basic needs in the areas of health, education and poverty reduction will remain high on the agenda of the organization. In the longer-term, transition countries will also need to evolve sound strategies for achieving sustainable development. Although one –size-does-not-fit-all, the experience of the UN system in special circumstances can be of great value to other countries undergoing crisis or transition situations. UN agencies were called on to respond effectively and efficiently to countries facing such challenges.

The long-term stagnation of core funding for UN operational activities for development challenges the ability of UN entities to fulfill their multilateral mandates. The quality of non-core funding also needs to be improved. Countries that provide non-core funding also cautioned that the value of such funding to the UN development system should not be stereotyped. The QCPR should attach importance to both rebalancing core and non-core funding and improving the quality of non-core contributions for UN operational activities for development.

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<sup>1</sup> For more information about the QCPR, please visit the QCPR homepage (<http://www.un.org/en/development/desa/oesc/qcpr.shtml>)

With regard to non-core funding, it could be better aligned with country priorities, for example by limiting earmarking to the sector level rather than individual projects.

Enhancing the effectiveness of coordination within the UN development system remains another challenge. The UN needs to establish itself as a model of coordination among partners that provide international financial and technical assistance in programme countries. This requires strengthening three key coordination processes, namely the UNDAF, the Resident Coordinator system and simplification and harmonization of business practices.

The UNDAF process has been an important tool to ensure the transparency and coherence of UN support at the country level. Sectoral working groups can provide an effective platform to bring diverse stakeholders together to align the work of the UN development system with national socio-economic plans. Nevertheless, the UNDAF planning process has been time-consuming and programme countries generally feel this instrument needs some overhaul. In particular, programme countries want to see streamlining of the UNDAF and the agency-specific country programme document process. Governments in programme countries are increasingly calling for a single programming, review and reporting process at the country level. It was suggested that the approval of the common country programme document be moved a joint platform, e.g. the joint meeting of the Executive Boards of the funds and programmes or the Operational Activities Segment of ECOSOC.

The Resident Coordinator system also needs to be strengthened. The Resident Coordinator needs to be given more institutional authority and the RC offices better resourced. A more effective Resident Coordinator system is also critical for enhancing system-wide coherence of the UN system at the country level.

There is great potential to streamline administrative services at country level. Two approaches could be further explored, namely a “lead agency” model where an agency is charged with delivering administrative services on behalf of the entire UN system and alternatively a “business centre” model. The establishment of long-term agreements in areas such as travel and procurement has also been effective in reducing costs. Different regulations and rules were the main challenge to harmonization of business practices within the UN development system.

There is also high demand for a significant improvement in the quality of evaluation of UN operational activities for development, particularly at the country level. Careful consideration should be given to the establishment of a system that can provide effective accountability for development results, while taking into consideration the diversity and complexity of the mandates of UN entities.

The UN governance structure needs to be adjusted to support coherence. Each agency is accountable to their respective governing body, which often put forward new rules for implementation at the country level. However, some UN agencies have decentralized significant decision-making to the country level, while others are run in a more centralized manner. This mismatch in the delegation of authority to the country level across UN entities is hampering the ability of the UN system to meet country level needs in an effective and efficient manner including vertical and horizontal communication.

## **Dialogue E: Consideration of country situations: South Sudan, Haiti, and Sehel**

Over the last years, ECOSOC has asserted its role in addressing post conflict recovery and peace-building as well as the transition from emergency relief to longer term development. At its 2012 substantive session, the Council held meetings on the situation in Haiti, South Sudan and the Sahel region.

## Providing integrated support to the newest member of the United Nations: South Sudan

The situation in South Sudan was at the center of the Council's discussions under its agenda item entitled "African countries emerging from conflict". The Council had before it a report on the integration, coherence and coordination of United Nations support to South Sudan, the first UN published report on the topic (see E/2012/76). In the course of a panel discussion, the Council had an exchange of views with H.E. Ms. Mary Jarvase Yak, Deputy Minister of Finance, Government of South Sudan, and Ms. Amanda Serumage, Senior Officer in charge of democratic governance at the UNDP office in South Sudan.

The discussions highlighted the immense challenges faced by South Sudan, with more than 80 per cent of the population living on less than \$1 per day and a "staggering" one third lacking secure access to food. In addition, the context of the transition in South Sudan was unpredictable and changing in nature. For example, a disagreement between Sudan and South Sudan had tremendous impact on oil revenue-sharing and on the already fragile economy.

In this context, the achievements made so far were recognized as being impressive, particularly when considered against the backdrop of the "low baseline" in terms of the human, legal and capacity needs resulting from decades of war and marginalization. Critical benchmarks in the Comprehensive Peace Agreement have been met with the support of South Sudan's partners, including the elections and the referendum on independence. Noticeably, primary education has been increased and a small network of road and infrastructure had mitigated conflict in some of the country's communities.

### Supporting the South Sudan Development Plan

"In South Sudan we are starting with very little, building institutions of governance from scratch," the Deputy Minister said, adding that the transition facing the country was "overwhelming in both scale and complexity". Moreover, the expectations of the people to "feel the dividends of peace" were very high. The main objective — as laid out in the South Sudan Development Plan 2011-2013 — was to build a democratic, transparent and accountable government, managed by a professional and committed public service, and with an effective balance of power between the executive, legislative and judicial branches of government.

That Plan was a transitional medium-term strategy for development, which included a capacity development strategy to address the human, legal and institutional gaps required to meet South Sudan's medium-term targets. It was built upon the country's engagement with the International Dialogue on Peace and Statebuilding, and further articulated core guidance functions in the area of fiduciary management and accountability, public administration, the rule of law, management of natural resources and executive leadership.

With the support of its partners, South Sudan ensured that State structures had the capacity to manage core governance functions through gap-filling, mentoring, coaching and technical advisory services. The country's joint regional initiative with the Intergovernmental Authority for Development (IGAD) deployed 164 qualified and experienced civil service support officers. An additional 120 United Nations Volunteers were also at work on the ground. A longer-term strategy was to ensure that the country implemented a public sector reform agenda, including rationalization of the current civil service. Some sound strides had already been made in presenting audited accounts to the National Legislative Assembly, and an austerity budget had been approved for 2012-2013.

### **An integrated UN support strategy**

The United Nations system has prioritized a number of activities in support of the country. The transition from relief to development was the highest priority. An approach was developed to operate a gradual shift from directly providing life-saving services to working under the leadership of and in partnership with national authorities as they developed systems and capacities. Second was the alignment of United Nations plans with national development priorities, through the UNDAF, the South Sudan Development Plan and the United Nations peace building support plan. With regard to the latter, the security and economic situation had forced a reassessment of the plan's implementation timelines. A third priority was support for capacity development, including through South-South cooperation schemes. Finally, it was imperative to ensure coordination within the United Nations system through common operational systems in key areas in order to streamline the programme delivery, improve efficiency and reduce transaction costs for partners, in line with the principles of the "Delivering as One" agenda.

Together with the United Nations country team and the UN peacekeeping mission (UNMISS), UNDP provided capacity development support of two kinds: a surge capacity designed to provide immediate support to the strengthening of services and the establishment of the State's core functions; and mentoring and coaching programmes. Through the Rapid Capacity Initiative, UNDP deployed specialists to support core functions, including revenue specialists, who supported an average revenue increase of 138 per cent in five target states, urban planners, who recently supported land demarcation for 28,000 new plots for residents and local returnees, as well as financial management and treasury experts, who supported nine out of 10 states to complete annual work plans and budgets.

### **The need for continued and coherent support to South Sudan**

Despite noticeable progress, all recognized that major challenges remained. First, demand exceeded supply. Infrastructure and staff were limited in areas where the majority of South Sudanese lived and worked. There was a limited "supply" of technical support of a durable kind. The assistance deployed remained minimal when compared with countries such as Timor-Leste and Mozambique immediately following their own cessation of hostilities. There was therefore a need to consider more innovation, including tapping into the wealth of South Sudanese in the diaspora to contribute to the state-building effort. The second challenge was integration of support in order to enable South Sudan to increase capacity to deliver services and to facilitate an exit strategy from peacekeeping needs.

Given ongoing challenges, a call was made to Friends of South Sudan to redouble their efforts to ensure that the newest member of the United Nations could put itself on a path

towards peace, prosperity and economic development. The Council then decided to continue to consider the situation in South Sudan at its 2013 substantive session.

## Promoting long-term support to Haiti

Under its annual consideration of the “long term programme of support to Haiti”, the Council considered the report of its Ad Hoc Advisory Group on Haiti (E/2012/87), which was introduced by Ambassador Guillermo Rishchynski, Permanent Representative of Canada and Chairman of this Group. In addition, the Council held an exchange of views with Ms. Josepha Gautier, Minister of Planning and External Cooperation of Haiti, who presented the Strategic Development Plan of the country among other efforts made by the new team in power to improve coherence and aid effectiveness. The Strategic Development Plan was presented in more details by Mr. Claude Grand-Pierre, Adviser at the General Directorate of Planning, who called on development partners to channel their support through this Plan. Mr. Nigel Fisher, Deputy Head of MINUSTAH, Resident Coordinator and Humanitarian Coordinator in Haiti, provided updated information on the situation in Haiti and efforts made by the UN system to ensure more coordinated and integrated support.

### Towards a “normalization process” in Haiti

As the Ad Hoc Advisory Group witnessed during its trip to Haiti, much progress has been made in the recovery process since the devastating earthquake of 2010. With a new Government in place, there was newfound institutional capacity. There also has been a notable shift in the transfer of responsibility of programmes and projects to Haitian partners. The new Government has established priorities and taken responsibility for national programmes. There were ongoing community rejuvenation initiatives, and housing repairs and rental subsidies had reduced the camp population to about 390,000 persons in June 2012. On the political front, the recent publication of constitutional amendments represented a step towards consolidating democratic institutions in Haiti.

In this context, speakers agreed that development partners had to step up financial resources, as there had been a downward trend in payouts. Donors should ensure that commitments to Haiti’s recovery and development were honored, and efforts should be aligned with, and contribute to, the achievement of Haitian national priorities, in particular by strengthening national institutions. As stated by the Chairman of the ECOSOC Advisory Group on Haiti, building a better Haiti must mean building a country based on the rule of law and on the will for the Haitian people to take control of its own destiny.

Despite these encouraging steps forward, speakers shared the view that these positive steps would be insufficient if additional and sustained efforts were not carried out. The weakness of public institutions, wide spread poverty, multiple vulnerabilities and a long history of political instability advocated for Haiti to

remain high on the international agenda, with appropriate levels of support. On the short run, there was an urgent need to respond to the call to fund the multi-year revision of the consolidated humanitarian appeal for 2012, particularly in priority areas such as the water and sanitation, camp management and shelter clusters, as well as the activities of the World Food Programme.

Ms. Josefa Raymond Gauthier, Minister of Planning and External Cooperation, summarized the situation by saying that Haiti was a “harbinger of great hope” but was also fragile; a status that would worsen if international partners failed to continue to help the country improve its governance and attract international investment.

### Supporting Haiti’s strategic development plan

The Minister stated that on the Government reform front, several initiatives were taken to initiate changes, including a budget forecasting plan which had been set up to anticipate future project needs. Efforts were also under way to decentralize decision making to each of the country’s 10 regions. Haiti was working with the private sector in ways that sought to increase tax revenues by 30 per cent. Haiti’s strategic development plan had been well received by development partners, who considered it a “realistic” programme but with a clear and ambitious objective of making Haiti an emerging country by 2030.

Mr. Claude Grandpierre Special Counsellor of the Minister, stressed that investment in the country was mainly financed by international aid and that better coordination of that aid, based on the Paris Declaration on Aid Effectiveness, was needed. Since 2004, Haiti had built its experience in coordination, including with the poverty reduction strategy elaborated in 2007 and the Interim Commission for the Reconstruction of Haiti established after the earthquake. The Post-Disaster Needs Assessment, carried out with Haiti’s partners in 2010, was the basis for the current strategic recovery plan.

The plan covers various sectors. On the economic front, Haiti sought to distribute the tax burden more fairly. Social reforms included a goal to make 80 per cent of all social services accessible by 2030. National, regional and subregional hubs were to be established to ensure that those services were available to people where they lived, in part to prevent people from migrating to coastal areas. A transport policy would seek to build a trunk road network from regional to local centres, to help people in the country’s interior access other areas. Haiti was also working to integrate urban and rural areas through a spatial planning vision. In the field of education, Haiti was expected to be at the same level as its neighbors by 2030 and to offer its talents to the global market.

To operationalize the plan, it was important that local authorities receive presidential directives to enhance coherence, and the Ministry of Planning and External Cooperation would be the conduit for channeling those directives. A new Government mechanism to coordinate aid had been proposed, which would include a National Strategic Coordination Committee comprised of the

Prime Minister, the Minister of Planning and the Minister of Foreign Affairs, supported by a dedicated coordination Secretariat. Sectoral tables would be set up in each Ministry in order to ensure that aid was focused on development priorities. Platforms for working with technical and financial partners, including the “Group of 12” donors and South-South cooperation partners, were also established, as was a platform to involve civil society. The aid tracking system set up by the Ministry of Planning with support from UNDP was an important tool that donors were encouraged to make use of.

### UN support to Haiti: engaging in a transition phase

The United Nations system has continued to be a major partner of Haiti in the recovery process and has adapted its working methods to better respond to the needs of the country. As explained by DSRSG Nigel Fisher, the transition between international and national partners in the humanitarian sector continued, and was bringing to an end the present cluster system. A strategic framework for the whole UN system for the period 2013-2016, which was being finalized, was fully grounded on national priorities. Some 150 international and 700 national personnel from United Nations agencies were working in Haiti.

MINUSTAH played an important role in police training. The growth and strengthening of the Haitian police force had progressed slowly, and there were a growing number of candidates for training. If the target of 15,000 trained officers by 2016 was to be met, however — and the number of MINUSTAH troops subsequently reduced — the number of candidates still needed to be scaled up.

At the same time, MINUSTAH was engaged in discussions with United Nations agencies to identify functions which could be taken onboard by the agencies, and those which required joint support. The ECOSOC Ad Hoc Advisory Group on Haiti recommended that the necessary means be provided to the Resident Coordinator structures to ensure collaboration and integration of activities among UN entities, and to plan for the possible handling over of some activities carried out by MINUSTAH to the UN country team, including in the provinces. It also called for appropriate back-up by UN organizations, funds and programmes to their offices in Haiti to allow for activities in the provinces to be expanded and to further engage with the Haitian private sector.

Speakers expressed strong support to the work of the UN system in support of Haitian led efforts. The meeting concluded with the adoption of a resolution (E/RES/2012/21) in which the Council extended the mandate of the Ad Hoc Advisory Group for an additional year. In addition, Mexico announced that it requested entrance into the Group as a way to further boost cooperation with Haiti.

## Humanitarian needs in the Sahel and the importance of building resilience

Further to GA resolution 58/114 (2004), the joint informal event traditionally focuses on the issue of transition from relief to development. This year's event put emphasis on the role of recovery and development action in building resilience and contributing to crisis prevention, focusing on the situation in the Sahel.

The informal transition event, organized every year by the United Nations Development Operations Coordination Office (DOCO) and the Office for the Coordination of Humanitarian Affairs (OCHA), focused this year on the "Humanitarian Needs in the Sahel and the Importance of Building Resilience". Co-chaired by ECOSOC Vice-Presidents Ambassador Desra Percaya (Indonesia) and Fernando Asias (Spain), the event was held in the margins of the operational activities and humanitarian affairs segments of the ECOSOC.

The current situation in the Sahel is an acute demonstration of overlapping elements of fragility, from lingering crisis and poverty to natural disaster. It is also an illustration of a

situation that can only be addressed by coupling local, national, regional and international efforts.

The objective of the discussion was to identify the linkages between the challenges facing the region and foster a discussion on how recovery and development activities could be used to address the different root causes of these crises, contributing to resilience and prevention.

Panelists noted that resilience must be built at all levels from the families and the communities, to the local, regional and national institutions. Presentations and discussion stressed that a holistic approach that integrates humanitarian and development efforts is critical to reducing vulnerability and promoting resilience. This calls for a change in culture, including in the UN family, to work better together, become more innovative and flexible, and engage in long-term actions. It requires strengthening of the coordination and cooperation of the humanitarian, development, political and security pillars of the UN in support of national transition efforts. It also calls for strong and long-term partnerships between all actors, including the private sector and local communities, with the Government taking a leadership role. The concept of resilience is not new, but it is gaining new momentum.

## A Government's effort to build resilience: the example of Niger

The example of Niger, where cyclical crises resulting from droughts and climatic hazards has led to a progressive erosion of livelihoods, underscores the benefits of a response that combines relief with simultaneously addressing food insecurity. The 3N initiative of the Government of Niger seeks to provide a comprehensive strategy for bolstering national food output and enhancing the positive impact this has on levels of food security, nutrition, household welfare and economic activity. The strategy differs from previous attempts to deal with the food crisis because it is supported by a strong political commitment to put food security at the top of national priorities by investing more of the national budget in the sector, and mobilizing societal actors around the issue. The initiative adopts: i) a bottom-up approach by promoting a basic kit of equipment and services at every level of society locally; ii) a multi-actor and multi-sectoral institutional framework that enables ministries and other stakeholders to work together in a coherent and integrated way; and iii) national leadership and ownership.

While in the past a number of initiatives have attempted to address the underlying causes of food insecurity, these efforts were rarely connected, missing opportunities to build resilience and sustainably lifting people out of food and nutrition insecurity over the long term. A number of factors have contributed to failure, including: late reaction of governments not recognizing national early warning systems; lack of coordination amongst all stakeholders at all levels; relationships between governments, UN system and other multilateral and bilateral actors; insufficient integration between agriculture and livestock, as well as low-level and late funding.

However, as the example of Niger illustrates, governments in the region are now recognizing the importance of dealing with structural problems thus creating an opportunity for the international community to step up efforts to support them and work together on preventing new crises.

These lessons learned from past crises in Niger and the Sahel in general underscore that business as usual is no longer an option. Humanitarian, early recovery and development actions need to be better linked in a coherent and flexible manner so as to move beyond relief and build long-term resilience for vulnerable people. No single organization can tackle the situation by working in silos, and synergies are crucial to deal with the humanitarian, development, political, governance and security aspects of the crises.

## The UN's perspective

Within the UN, the UNDG Chair and the Emergency Relief Coordinator are taking leadership in creating a coherent and coordinated platform for humanitarian and development agencies to join up their efforts in the Sahel, in partnership with governments, civil society and regional organizations.

A Regional Humanitarian Coordinator, Mr. David Grassley, was appointed in 2012 to coordinate this holistic approach to building resilience in the region. A strong pillar in this year's response has been the strategic link of food security and resilience interventions to nutrition programmes, which focus on the treatment and prevention of acute malnutrition. The Governments' early call for a humanitarian response followed by a timely international reaction has been leading to some important changes in the management of the crisis.

The UN humanitarian agencies are thus in a position to address the crisis if the funding continues. The "price tag" of current efforts is 1.6 billion dollars for 2012, over half of which has been provided. However, there is still insufficient support for the agriculture sector and support for the health and water sectors should also be strengthened.

The political dimension of insecurity in the Sahel must not be forgotten if any resilience programme is to deliver results. Moreover, the risk of food insecurity and malnutrition remains very high. Focus should be maintained on chronic issues and on providing targeted support to the most marginalized and the vulnerable.

Panelists also stressed that building resilience from the onset entails a multiyear, multi-sector and multi-stakeholder endeavor where humanitarian and development partners work together on a twin-track approach. In order to close the current humanitarian-development divide, donors should come forward with flexible, predictable and multi-sector funding. As a basis for that, shared assessments of the situation on the ground and country-led strategies are key.

### A civil society's perspective

The example of Chad national non-governmental organizations highlights that communities have to be at the center of resilience building strategies. National NGOs are contributing at several levels, including by responding to immediate needs, supporting livelihoods and income-generating activities as well as raising awareness.

However, the operational capacity of national NGOs remains weak. They need support, both technical and for accessing resources.

In conclusion, the discussion stressed that due to its scope and complexity, the situation in the Sahel requires a robust response. Partnerships are critical, and the UN system needs to strengthen integration and provide stronger support to UN leadership on the ground. Several UN agencies are indeed deepening their ability to work in joint humanitarian-development approaches. The message about resilience and coherence should be stressed all across the UN system.

## A donor's perspective

Amongst the main donors in the Sahel, the European Union is accelerating funds to the region making a new allocation of 40 million euro. Funding availability, however, is linked to political leaders seeing humanitarian and development actors working better together with a holistic perspective. In order to do so, it was noted, resilience and disaster-risk resilience must be embedded in all sector policies and development programmes, and funding should become holistic and flexible.

Political momentum for resilience should be maintained. With that in mind, the EU-led AGIR strategy (Sahel Alliance Globale pour l'Initiative Resilience) is aiming at building a coalition of donors for mutual accountability.

## Annex 1: Ministerial declaration of the high-level segment

132. At the 22nd meeting, on 9 July, the President of the Council made a statement and introduced the draft ministerial declaration of the high-level segment of the substantive session of 2012 of the Council, entitled “Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals” (E/2012/L.10).

133. At the same meeting, statements were made by the representatives of Germany, Cuba, Finland, the Netherlands, India and Canada.

134. Also at the same meeting, statements were made by the observers for the Bolivarian Republic of Venezuela and the United Republic of Tanzania.

135. At the 23rd meeting, on 10 July, the President of the Council made a statement.

136. At the same meeting, the Council adopted the draft ministerial declaration.

137. Before the adoption of the declaration, statements were made by the representative of India, as well as by the observer for the Bolivarian Republic of Venezuela (on behalf of the Group of 77 and China) (see E/2012/SR.23).

138. After the adoption of the declaration, statements were made by the representatives of the United States, India, Ireland (on behalf of the European Union) and Ecuador, as well as by the observer for the Plurinational State of Bolivia.

139. The text of the ministerial declaration read as follows:

Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals

We, the Ministers and Heads of Delegations participating in the high-level segment of the substantive session of 2012 of the Economic and Social Council, held in New York from 2 to 10 July 2012,

Having considered the theme of the annual ministerial review of the high-level segment, “Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals”,

Reaffirming the commitments made at the major United Nations conferences and summits in the economic, environmental, social and related fields to promoting productive capacity, employment and decent work,

Recalling the outcome of the thirteenth session of the United Nations Conference on Trade and Development, held in Doha from 21 to 26 April 2012, and expressing our gratitude to the Government and people of Qatar for hosting the Conference,

Recalling also the outcome document of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, entitled "The future we want", and expressing our gratitude to the Government and people of Brazil for hosting the Conference,

Recalling further the holding by the United Nations Educational, Scientific and Cultural Organization of the Third International Congress on Technical and Vocational Education and Training in Shanghai, China, from 13 to 16 May 2012,

Looking forward to the International High-level Conference on Decent Work, to be held in Moscow on 11 and 12 December 2012,

Reaffirming the resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies, including poverty eradication strategies, as part of our efforts to achieve the Millennium Development Goals,

Reaffirming also that the eradication of poverty is one of the greatest global challenges facing the world today, particularly in Africa and the least developed countries, and in some middle-income countries, and underlining the importance of accelerating sustainable, broad-based, inclusive economic growth, including full and productive employment generation and decent work,

Recalling article 23 of the Universal Declaration of Human Rights on the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment, and reaffirming the international commitments and obligations of States parties to the International Covenant on Economic, Social and Cultural Rights, as well as the relevant internationally agreed labour standards of the International Labour Organization, and all human rights, including the right to development,

Reaffirming our commitment to achieving all of the internationally agreed development goals, including the Millennium Development Goals, by, inter alia, promoting productive capacities, full and productive employment and decent work for all,

Recalling the International Labour Organization Declaration on Social Justice for a Fair Globalization and the International Labour Organization Declaration on Fundamental Principles and Rights at Work and its Follow-up,

Reaffirming the leading role of the International Labour Organization in promoting full and productive employment and decent work for all,

Expressing deep concern about the continuing high levels of unemployment and underemployment, particularly among young people,

Recognizing the need to strengthen the productive capacity of developing countries, in particular the least developed countries, including to address their infrastructure deficits,

Recognizing also the contribution of the Youth Forum, held by the Economic and Social Council in New York on 4 May 2012, to the deliberations of the Council on productive capacity, employment and decent work,

Recognizing further the contributions and recommendations of the regional preparatory meetings for the annual ministerial review of 2012,

Have adopted the following declaration:

1. We express deep concern about the ongoing adverse impacts, particularly on development, of the world financial and economic crisis, cognizant that the global economy is entering a challenging new phase with significant downside risks, including the turbulence in global financial and commodity markets and widespread fiscal strains, which threaten the global economic recovery, and stress the need to continue to address systemic fragilities and imbalances and the need for continuing efforts to promote productive capacity, employment and decent work.

2. We recognize that the world faces serious social, environmental and economic challenges and that the achievement of sustained, inclusive and equitable economic growth and sustainable development remains critical. We reaffirm the resolve to take concrete action to implement the Monterrey Consensus of the International Conference on Financing for Development and to address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals.

3. We recognize that people are at the centre of sustainable development and, in this regard, we strive for a world that is just, equitable and inclusive, and we commit to work together to promote sustained and inclusive economic growth, social development and environmental protection and thereby to benefit all.

4. We acknowledge the need to further mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their interlinkages, so as to achieve sustainable development in all its dimensions.

5. We recall the resolve to take urgent action to achieve sustainable development. We therefore reaffirm our commitment to sustainable development, assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges. We reiterate our determination to address the themes of the United Nations Conference on Sustainable Development, namely, a green economy in the context of sustainable development and poverty eradication, and the institutional framework for sustainable development.

6. We stress that the promotion of sustained, inclusive and equitable economic growth is necessary for accelerating progress towards achieving the Millennium Development Goals, as well as for promoting sustainable development, but that it is not sufficient, and that growth should enable everyone, in particular the poor, to participate in and benefit from economic opportunities and should lead to job creation and income opportunities and be complemented by effective social policies.

7. We call for increased efforts to enhance coordination at all levels, with a view to strengthening national development strategies, stimulating investment in productive capacities, helping to start and grow businesses and promoting opportunities for full and productive employment and decent work for all.

8. We support continued efforts to put productive employment at the heart of actions to restore growth and promote a job-rich recovery at the national, regional and global levels, including through sustained, inclusive and equitable economic growth, by reinforcing cooperation and coherence in this area within the United Nations system and together with the international financial institutions.

9. We commit to embracing the policy approaches contained in the International Labour Organization Global Jobs Pact, as appropriate, and to introducing measures tailored to the circumstances and priorities of each country.

10. We stress the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion, including those who are not employed in the formal economy. In this regard, we strongly encourage national and local initiatives aimed at providing social protection floors for all citizens. We support global dialogue on best practices for social protection programmes that takes into account the three dimensions of sustainable development and, in this regard, we note International Labour

Organization Recommendation No. 202 concerning national floors of social protection.

11. We reiterate the need to adopt forward-looking policies, including macroeconomic policies, that are aimed at sustained, inclusive and equitable economic growth, full and productive employment and decent work for all, poverty eradication and low and stable inflation and that seek to minimize internal and external imbalances to ensure that the benefits of growth reach all people, especially the poor, and the need to integrate those policies, in a coherent manner, with social and employment objectives, with a focus on mutually supportive strategies that lead to the rapid expansion of productive employment at adequate levels of remuneration.

12. We emphasize the need for more effective government involvement so as to ensure appropriate regulation of the market, which promotes productive capacity, full employment and decent work.

13. We recognize that a dynamic, inclusive, well-functioning and socially responsible private sector is a valuable instrument for generating economic growth and reducing poverty, emphasize the need to pursue, at the national level and in a manner consistent with national laws, appropriate policy and regulatory frameworks through which to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment, and reiterate the importance of ensuring that the benefits of growth reach all people by empowering individuals and communities.

14. We recognize that, in order to achieve equitable development and foster a vibrant economy, it is vital to have a financial infrastructure that provides access to a variety of sustainable products and services for micro, small and medium-sized businesses, with particular emphasis on women, rural populations and the poor. We will make sure that the benefits of growth reach all people by empowering individuals and communities and by improving access to services in the fields of finance and credit. We recognize that microfinance, including microcredit, has proven to be effective in generating productive self-employment, which can contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals.

15. We reaffirm the need to develop and promote active labour market policies, including for the full participation of women and men in both rural and urban areas, to alleviate unemployment and underemployment.

16. We recognize the need to design education and training programmes that improve employability and individual capacities through skills development.

17. We urge States and, as appropriate, the relevant entities of the United Nations system and international and regional organizations, within their respective mandates, as well as civil society, the private sector, employer organizations, trade unions, the media and other relevant actors to continue to develop and strengthen policies, strategies and programmes to enhance the employability of women and youth and to ensure their access to full and productive employment and decent work, including by improving access to formal and non-formal education, skills development and vocational training, lifelong learning and retraining, and long-distance education, inter alia, in information and communications technology and entrepreneurial skills, particularly in developing countries, including with a view to supporting the economic empowerment of women in the different stages of their lives.

18. We encourage Member States to adopt and implement human resources development strategies premised on national development objectives that ensure a strong link between education, health, training and employment, help to maintain a productive and competitive workforce and are responsive to the needs of the economy.

19. We recognize the importance of developing policies, including effective labour market policies and legislation, as appropriate, that support statutory or negotiated minimum wage systems, acceptable conditions of work, strengthened labour standards, where necessary, and institutions of collective bargaining and labour administration, in order to, inter alia, avoid deflationary wage spirals, increase demand, promote economic stability, reduce poverty and inequality and achieve social justice.

20. We stress the need to build a critical mass of viable and competitive productive capacity in agriculture, manufacturing and services in the least developed countries, which is essential if they are to benefit from greater integration into the global economy, increase resilience to shocks and sustain inclusive and equitable growth, as well as eradicate poverty, achieve structural transformation and generate full and productive employment and decent work for all.

21. We encourage improvements in agricultural productivity to improve food security, access to goods and services and the development of employment along the agricultural value chain, as well as trade capacity-building in the agricultural sector, so as to raise incomes in both the farm and non-farm sectors in rural areas and to help poor households to cope with higher food prices, and reiterate the importance of empowering rural women as critical agents for enhancing agricultural and rural development and food security and nutrition.

22. We reaffirm the important work and inclusive nature of the Committee on World Food Security, including its role in facilitating country-initiated assessments on sustainable food production and food security, and encourage countries to give due consideration to implementing its Voluntary

## Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

23. We support the promotion of innovative approaches in the design and implementation of employment policies and programmes for all, including the long term unemployed.

24. We recognize the importance of providing social protection schemes for the formal and informal economy as instruments to achieve equity, inclusion and the stability and cohesion of societies, and emphasize the importance of supporting national efforts aimed at bringing informal workers into the formal economy. We urge Governments, with the cooperation of relevant entities, to develop systems of social protection and to extend or broaden, as appropriate, their effectiveness and coverage, including for workers in the informal economy, recognizing the need for social protection systems to provide social security and support labour market participation, and also urge Governments, while taking into account national circumstances, to focus on the needs of those living in or vulnerable to poverty and to give particular consideration to universal access to basic social security systems, recognizing that social protection floors can provide a systemic base from which to address poverty and vulnerability.

25. We emphasize the need for improved regulatory environments and policy initiatives that promote entrepreneurship, stressing the positive role that entrepreneurship plays in driving job creation.

26. We support national regulatory and policy frameworks that enable business and industry to advance sustainable development initiatives, taking into account the importance of corporate social responsibility. We call upon the private sector to engage in responsible business practices, such as those promoted by the United Nations Global Compact.

27. We stress the importance of promoting universal access to social protection systems, including by establishing and maintaining, as applicable, nationally determined social protection floors as a fundamental element of national social security systems, in line with International Labour Organization Recommendation No. 202 concerning national floors of social protection and bearing in mind the International Labour Organization Social Security (Minimum Standards) Convention, 1952 (No. 102), as an important means of assisting those living in or vulnerable to poverty while also helping to stabilize the economy, maintaining and promoting employability and protecting and further consolidating gains towards the achievement of the Millennium Development Goals.

28. We reaffirm the importance of promoting and attaining the goals of universal and equitable access to quality education, the highest attainable standards of physical and mental health and the access of all to primary health care as part of the effort to eradicate poverty, promote full and

productive employment and foster social integration. We recognize the continued need to address the impact of non communicable diseases, HIV/AIDS, malaria, tuberculosis and other major infectious diseases on social and economic development.

29. We also reaffirm the importance of the Dakar Framework for Action, reaffirm the commitments to, by 2015, ensure complete, free and compulsory primary education of good quality and access to such education and to achieve gender equality in education, and resolve to strengthen policies aimed at ensuring full and equal access to education at all levels through lifelong learning, including adult and long-distance education and training, and at adopting, promoting and attaining the goals of universal and equitable access to quality education, in particular for women and girls.

30. We recognize that it is necessary to increase vigilance and to achieve respect for international labour standards, and reaffirm our commitment to promote opportunities for full, freely chosen and productive employment as well as decent work for all, with full respect for fundamental principles and rights at work under conditions of non-discrimination, equity, equality, security and dignity.

31. We recognize the need to universally respect, promote and realize fundamental principles and rights at work, in accordance with the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

32. We stress the need to remove the obstacles to the full realization of the right of self-determination of peoples living under colonial and foreign occupation, which adversely affect their economic and social development, including their exclusion from labour markets, and to promote their productive capacity, employment and decent work.

33. We stress the importance of removing obstacles to the social and economic development of people living in areas affected by complex humanitarian emergencies and terrorism and promoting their productive capacity, employment and decent work.

34. We also stress the importance of promoting and protecting the rights of women workers, of taking action to remove structural and legal barriers to, as well as eliminating stereotypical attitudes towards, gender equality at work, and of initiating positive steps towards the promotion of equal pay for equal work or for work of equal value.

35. We encourage Member States to undertake gender analyses of national labour laws and standards and to establish gender-sensitive policies and guidelines for employment practices, building on multilateral instruments, including the Convention on the Elimination of All Forms of

Discrimination against Women, and relevant conventions of the International Labour Organization.

36. We recognize the need to improve opportunities for young people to gain access to productive employment and decent work through increased investment in youth employment, active labour market support and public-private partnerships, as well as through the creation of enabling environments to facilitate the participation of young people in labour markets, in accordance with international rules and commitments.

37. We stress the need to address the special challenges of youth employment in countries affected by conflict. In this respect, we urge strong collaboration among all relevant actors to promote and scale up best practices.

38. We further encourage efforts by the international community to promote balanced, coherent and comprehensive approaches to international migration and development, and recognize the important contribution of migrant workers for both countries of origin and countries of destination. We should resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration in order to maximize the benefits of international migration, while complying with the relevant national legislation and applicable international obligations. We also recognize the need for Member States to continue considering the multidimensional aspects of international migration and development in order to identify appropriate ways and means of maximizing the development benefits and minimizing the negative impacts, including by exploring ways to lower the costs of transferring remittances, garnering the active engagement of expatriates and fostering their involvement in promoting investment in countries of origin and entrepreneurship among non-migrants.

39. We stress the importance of public-private partnerships in a wide range of areas, with the aim of eradicating poverty and promoting full and productive employment and decent work for all and social integration, as appropriate.

40. We emphasize that effective policies should be formulated and implemented through inclusive processes, in particular broad-based social dialogue with worker and employer representatives, and attention to the quality of governance and public services.

41. We recognize the need for the significant mobilization of resources from a variety of sources and the effective use of financing in order to promote full and productive employment and decent work for all, and in this regard:

(a) We recall the resolve of Member States to enhance and strengthen national resource mobilization and fiscal space, including, where

appropriate, through modernized tax systems, more efficient tax collection, the broadening of the tax base and the effective combating of tax evasion and capital flight;

(b) We recall that the ongoing fight against corruption at all levels is a priority, and reaffirm the need to take urgent and decisive steps to continue to combat corruption in all its manifestations in order to reduce obstacles to effective resource mobilization and allocation and to prevent the diversion of resources away from activities that are vital for development;

(c) We recognize that it is important to enhance the development impact of direct investment, including foreign direct investment, inter alia, by strengthening the productive sector and contributing to job creation. In order to contribute to development, all stakeholders should make efforts to promote foreign direct investment in such a way as to complement the development priorities of host countries. Foreign direct investment requires a stable, predictable and enabling investment climate. National capacities of developing countries should be strengthened in this regard. Investment policies should have a strong focus on sustainable development and inclusive growth;

(d) We reaffirm that international trade is an engine for development and sustained economic growth, and also reaffirm the critical role that a universal, rules based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development as they advance towards sustainable development;

(e) We urge the members of the World Trade Organization to redouble their efforts to achieve an ambitious, balanced and development-oriented conclusion to the Doha Development Agenda, while respecting the principles of transparency, inclusiveness and consensual decision-making, with a view to strengthening the multilateral trading system. In order to effectively participate in the work programme of the World Trade Organization and to fully realize trade opportunities, developing countries need the assistance and enhanced cooperation of all relevant stakeholders;

(f) We underline the fact that the fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015, as well as the target of 0.15 per cent to 0.20 per cent of gross national product for official development assistance to the least developed countries, and urge developed countries that have not yet done so to fulfil their commitments for official development assistance to developing countries;

(g) We stress the essential role that official development assistance plays in complementing, leveraging and sustaining financing for

development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals, and welcome steps to improve the effectiveness and quality of aid based on the fundamental principles of national ownership, alignment, harmonization, managing for results and mutual accountability;

(h) We note that the aid architecture has changed significantly in the current decade. New aid providers and novel partnership approaches, which utilize new modalities of cooperation, have contributed to increasing the flow of resources. Furthermore, the interplay of development assistance with private investment, trade and new development actors provides new opportunities for aid to leverage private resource flows;

(i) We consider that innovative mechanisms of financing can make a positive contribution towards assisting developing countries in mobilizing additional resources for financing for development on a voluntary basis and that such financing should supplement and not be a substitute for traditional sources of financing.

42. We encourage the sharing of experiences and best practices on ways to address the high levels of unemployment and underemployment, in particular among young people.

43. We call for strengthened policy coherence and partnerships across the United Nations system, including the international financial institutions, as appropriate, while recognizing the respective mandates and governance structures of the constituent parts of the system, with a view to promoting the creation of decent work through enhanced policy dialogue, research and analysis, the collection of data, including data disaggregated by sex, age and disability, and the provision of technical assistance, and in this regard we recognize the role of the Inter-Agency Cluster on Trade and Productive Capacity of the United Nations System Chief Executives Board for Coordination.

44. We are concerned about labour market conditions and widespread deficits of available decent work opportunities, especially for young women and men. We urge all Governments to address the global challenge of youth employment by developing and implementing strategies and policies that provide young people everywhere with access to decent and productive work, as over the coming decades, decent jobs will need to be created so as to ensure sustainable and inclusive development and to reduce poverty.

45. We invite and encourage donors and international organizations, including the United Nations system, as well as the international financial institutions, the regional development banks, major groups and the private sector, to support the implementation of global strategies on employment.

46. We call upon the United Nations agencies, funds and programmes to continue to coordinate their activities in a coherent manner in order to support national Governments, upon their request, to develop and expand social protection floors, in line with International Labour Organization Recommendation No. 202, including through the facilitation and promotion of South-South cooperation.

47. We call upon the United Nations agencies and programmes to enhance their efforts to help countries to develop coherent policies, including macroeconomic policies, that are employment- and entrepreneurship-friendly, and to highlight the role of the Economic and Social Council in providing a global forum for the discussion of those issues.

48. We encourage all stakeholders to consider collaborating with the United Nations system to create a youth volunteer programme under the umbrella of the United Nations Volunteers, and support the call by the Secretary-General for stronger partnerships with and for youth, by, inter alia, strengthening the youth focus of programmes on employment.

49. We stress the importance of keeping full and productive employment and decent work for all as a key cross-cutting theme on the agenda of the United Nations.

50. We call upon Member States to consider productive capacity, employment and decent work in the discussions of the post 2015 development agenda.

#### Action taken by the Council

140. Also at the 23rd meeting, on 10 July, on the proposal of the President, the Council took note of the following reports under agenda item 2 (high-level segment) as a whole: E/2012/63; E/2012/74; and E/2012/78. See Council decision 2012/214.

#### Closure of the high-level segment

141. Also at the 23rd meeting, on 10 July, a statement was made by the Under-Secretary-General for Economic and Social Affairs.

142. At the same meeting, the President made a statement and declared the high-level segment of the substantive session of 2012 of the Council closed.

## Annex 2: Highlights of Keynote Addresses

**H.E. Mr. Erkki Tuomioja, Foreign Minister of Finland, speaking on behalf of H.E. Mr. Sauli Niinisto, President of Finland,** stressed the need to secure strong and balanced economic growth, but emphasized that growth alone is not enough and that it should generate development within the boundaries of nature's carrying capacity. He called attention to several environmental crises stemming from the current growth model's inability to respect nature.

Although these issues were addressed at Rio+20, he stressed that a great deal of work was left to be completed, making the follow-up to the Conference vital. It is also vitally important for the Sustainable Development Goals process to become an essential part of the larger post-2015 framework.

Citing the example of the European Union's concept of green economy, Mr. Tuomioja stated that an economic system aimed at strengthening human well-being and social equality was compatible with the sustainable use of natural resources and secured the provision of ecosystem services. As the success of the Nordic model demonstrates, it is not only possible to have a strong and comprehensive social welfare model combined with ecological responsibility and economic competitiveness, but it was also their inclusive social model which was the key to any Nordic success.

Turning to the topic of decent work, Mr. Tuomioja stated that economic growth should enable everyone to participate in society, but that currently the world economy was not able to create a sufficient number of decent employment opportunities for all, leading to economic and social inequality and exclusion. He cited progressive taxation, public services and social protection as necessary permanent social institutions that have a strong capacity to sustainably reduce poverty and inequality.

He also stated that foreign investment was crucial to achieving development goals, but urged the need for clearer and more transparent rules for foreign investment; in the absence of a global agreement, bilateral investment agreements are proliferating without the full participation of developing countries. He further underlined the importance of the rule of law to create an enabling environment for economic growth and the creation of productive capacities and decent jobs. He said that legal frameworks would not only provide a good basis for entrepreneurship and business but also a more stable and less corrupt environment for both domestic and foreign investors. He stressed the need for women's equal participation in achieving common goals and sustainable development, and for more attention to least developed countries, which suffered from low average productivity and limited productive capacities. He concluded by calling for a well-functioning and efficient United Nations development system to promote sustainable development on a global scale.

**Mr. Tan Sri Dato' Azman Shah Haron, President of the International Organization of Employers**, stated that employers have no magic bullet to face the challenges posed by the economic and financial crises, but the international community had a chance to help decide which efforts would succeed in addressing the crises. The business community is used to confronting challenges and turning around failing enterprises. However, a business-as-usual approach will no longer lead to better outcomes in a changing world.

In that context, he issued a call to the Council, similar to one issued to the G20 and the International Labour Organization, to accord more recognition to the role that a robust private sector can play in realizing global development goals. He suggested that development programmes should include specific private sector elements in which businesses are able to grow, generate jobs and contribute to their communities. To that end, he recommended considering strategic short-term investments that could lead to long-term gains so that more countries would be able to benefit from the gains made by the private sector.

He referred to the annual *Doing Business* reports of the World Bank Group, which he said represented a wealth of ideas and related regulatory improvements. He suggested that those reports be reviewed by the United Nations system and be used for formulating policy in more countries. He urged that policy makers be more scrupulous in assessing and minimizing the impact on doing business and creating jobs, particularly when they consider imposing new costs on businesses. In that respect, he stated that policies claiming to be in the interest of working people could in fact have the opposite effect if they made businesses less confident in investing. He concluded by saying that sustainable, developing communities and developing economies could only be built on the foundation of sustainable enterprises.

**Ms. Sharan Burrow, General Secretary of the International Trade Union Confederation**, stated that the current economic model was not working, and leaving the market to fix itself would simply not work. She said that the growing informal economy in every country was leading to wider gaps in income, where young people were increasingly excluded from the labour market. While urging world leaders to focus on quality jobs, she cautioned not to place private sector and public sector growth in a false competition, since the infrastructure and services needed would not all be provided by the private sector.

In referring to the recent G20 meeting in Mexico, she said that while there had been a shift in the language in favour of job creation, the words had not been matched by commitments to action by the richest countries. The G20 leaders had expressed a priority focus on jobs with rights.

In referring to the recent G20 meeting in Mexico, she said that while there had been a shift in the language in favour of job creation, the words had not been matched by commitments to action by the richest countries. The G20 leaders

had expressed a priority focus on jobs with rights, efforts for youth, and assistance to low-income countries for social protection floors, but they left it up to the leaders in each country to heed those calls as they saw fit. Furthermore, there had been no specific reference at the meeting to actions to mitigate the damage caused by the financial sector or to combat speculation.

She expressed her distress at the sentiment that it was alright to attack basic labour market guarantees, saying that victimizing workers was not in anyone's interests, and stressed the importance of core labour standards. Polls taken in the lead up to Rio+20 showed that only 13 per cent of people believed that voters had real influence over the economic decisions of Governments and only 11 per cent of people had said their income had improved, with an overwhelming majority saying it had been reversed.

Ms. Burrow observed that it was unfortunate that Rio+20 had not led to a more hopeful outcome. While she was pleased that the Declaration had endorsed green jobs and human and trade union rights, there was no endorsement of immediate action, which she categorized as a missed opportunity. She expressed her dismay at the fact that the 114 Heads of State in attendance had not negotiated the document for even an hour, emphasizing that this was not the type of global governance needed.

She stated that some \$25 trillion of workers' capital was invested in the global economy and it should be taken out of the speculative economy and placed into patient capital. She added that workers had committed to put 5 per cent of that money into the green economy by 2015. But for that to happen, the green bond market must mature, and Governments and multilateral institutions need to work to make this a reality.

She further noted that the Global Jobs Pact must be integrated with a social protection floor, which would do more to deliver on the Millennium Development Goals than any other effort to date. Indeed, the Jobs Pact, underpinned by a social protection floor, would deliver an entirely different world. In concluding her statement, she urged the Council to provide leadership and make commitments to principles that have been lacking at other meetings.

**Ms. Danielle Fong, Chief Science Officer and Co-Founder of LightSail Energy,** addressed the Council also on behalf of the world's young people, whom she said sought a better relationship with their environment. She stated that youth were held back from achieving the future they desired, despite the fact that young people were better educated than previous generations, because the old systems are not working. She referred to the recent United Nations Youth Summit and reminded the Council that the Summit's participants had asked to be empowered in order to change the current system, requiring entrepreneurship, innovation and bottom-up impact.

She recalled her personal story as an example of working outside the present system of education and employment, and said that “entrepreneurship is the new education”. After entering and graduating from college early, she moved to Silicon Valley where she created her own business for a new system of energy storage. She said that since there was no job in that field, she had to make it herself.

In a similar vein, she urged the international community to do better in helping to create new jobs and in advocating an “entrepreneurial exchange programme”. This would be analogous to student exchange programmes that enabled the sharing of ideas and education, and allowed young entrepreneurs sufficient flexibility and mobility to go where they were most needed.