

BACKGROUND NOTE

High-Level Thematic Debate on Means of Implementation for a Transformative post-2015 development agenda, 9-10 February 2015

Introduction

The High Level Thematic Debate scheduled for 9-10 February 2015 will provide an opportunity for Member States and stakeholders to address key issues related to means of implementation, with a view to identifying key elements of a renewed and strengthened global partnership for sustainable development. It also aims to address issues related to infrastructure development as well as the role of parliaments, cities and local authorities in the implementation of the post 2015 development agenda.

Plenary discussion

Mobilization and effective use of adequate means of implementation - financial resources, technology development and transfer and capacity-building- will be critical to delivering on and implementing a transformative post-2015 development agenda. The new agenda's overarching objective, as indicated in the proposal for Sustainable Development Goals (SDGs), will be to eradicate poverty and hunger and achieve inclusive, sustainable economic growth and development, while protecting the environment, ensuring peaceful and stable societies and realizing human rights.

To ensure successful implementation, the level of ambition of the new universal agenda should be matched with scaled-up resources. Financing needs for sustainable development are considerable in developing and developed countries. The Report of the Intergovernmental Committee of Experts on Sustainable Development Financing identified large investment requirements to eradicate extreme poverty and address hunger, health and education needs. Investment requirements for infrastructure, for instance, were estimated at US\$ 5-7 trillion annually. Financing needs also differ between countries, with specific needs in Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS), African countries, and post-conflict countries.

In view of the large needs for implementing the new development agenda, mobilization of additional financial and non-financial resources from all sources will be required: public and private, domestic and international, and they should to be targeted where the needs are greatest.

The increased financing also needs to be complemented by coherent and enabling policy environments; strengthened global economic governance; a fair, open and transparent trade regime; a framework to facilitate the development and transfer technology as well as capacity-building. This will require a renewed and strengthened global partnership for development.

The Third International Conference on Financing for Development, to be held in Addis Ababa, Ethiopia in July 2015, provides an opportunity for Member States and stakeholders to agree on concrete actions and measures for a comprehensive financing framework for the sustainable development agenda and the SDGs.

Means of Implementation will be critical in the context of the intergovernmental negotiations on the post-2015 development agenda. The negotiations will, pursuant to the Rio+20 Outcome and building on the recommendations from the structured dialogues on options for a facilitation mechanism, also seek to elaborate a mechanism to assess technology needs of developing countries and how to address them.

Whereas much of the technology required to make significant progress towards achieving many of the SDGs once adopted is available, developing countries still face significant challenges in accessing, adapting and diffusing such technology. Building many developing countries' science, technology and innovation (STI) capacities and systems, including through improving their research infrastructure and linkages between public and private innovation actors, will be critical. So will be the need to establish frameworks for intellectual property rights that achieve the right balance between incentivizing private investment in innovation and maximizing the diffusion of technology.

International cooperation for the protection of intellectual property should go hand in hand with efforts to enable countries at all levels of development to benefit from the use of technology for sustainable development.

The Rio+20 Outcome also emphasized the need for enhanced capacity building for sustainable development and called for strengthening technological and scientific cooperation including through North-South, South-South and triangular cooperation.

Issues for consideration/Guiding questions

A renewed global partnership for implementation of the post-2015 development agenda

- i) What actions are needed to scale up mobilization of financial resources from all sources: domestic public financing, domestic private financing, international public financing (including ODA), international private financing (FDI and remittances), trade, and partnerships?
- ii) What is required of the different development players/actors to improve efficiency and effectiveness in the use of available resources for sustainable development?
- iii) What measures can be taken to develop a financial architecture/system that incentivizes the direction of global public and private savings towards sustainable development, including provision of long-term financing to fill critical infrastructure investment gaps?
- iv) Given the critical role the development, transfer and dissemination of clean and environmentally sound technologies will play in achieving a transformative post-2015 development agenda, what are the best options for a technology facilitation mechanism?
- v) What measures and actions need to be undertaken to further build and strengthen capacities of developing countries, in particular to ensure an effective domestic enabling environment and enhance their ability to effectively implement the post-2015 development agenda?
- vi) How can coherence and a common understanding for robust means of implementation in the post-2015 agenda and the Financing for development process be fostered and agreed? How can trade contribute to renewing the global partnerships for development?

Panel I: *Mobilizing resources for infrastructure development in the post-2015 development agenda and Partnerships for realizing the SDGs*

Mobilizing resources for infrastructure development, particularly in the energy, health, education, water and sanitation, transport and communication sectors, will be critical for promoting economic growth, social inclusion and environmental sustainability. While global public and private savings would be sufficient to meet the financing needs,¹ current

¹ Report of the Intergovernmental Committee of Experts on Sustainable Development Financing (A/69/315)

investment in infrastructure remains vastly insufficient, with limited availability of both public and private capital for infrastructure development in developing and developed countries.

The provision of infrastructure, basic services and amenities in rural and urban areas as well as better urban-rural interconnectivity contributes significantly to the creation of economic opportunities, reduction of vulnerability and inequality. There is need to provide opportunities for women, the youth, persons with disabilities and people in vulnerable situations.

Infrastructure investments represent large financing needs that will need to be met to achieve the SDGs. The proportion of public and private financing in infrastructure varies by type of infrastructure and by country, but the majority of infrastructure spending in developing countries is financed out of domestic budgets. Additional domestic resource mobilization is therefore critical, supported by ODA and other sources of international public financing.

In addition to the large financing requirements, challenges to private sector investments in infrastructure arise due to large risk capital requirements for upfront investments in the development and construction phase; risks over future revenue streams due to affordability concerns and policy uncertainty; and macroeconomic and project level risks. Furthermore, social returns often exceed market returns due to externalities, particularly for green infrastructure.² Many investors, such as institutional investors, do not have the capacity to invest directly in infrastructure. At the same time, the maturity of many projects is longer than the time horizon of many investors, including long-term investors.

To facilitate greater private sector investments in infrastructure, governments could consider ways of reducing risks and regulatory uncertainty (particularly with regard to the policy environment for clean technologies), and address governance concerns. There is also a need to improve public-private partnership initiatives. Financing platforms that can pool and fairly share investment risks, as well as pooling of expertise and knowledge between investors and the government, could be considered. Alternatively bonds and similar instruments can be used to leverage resources from investors who are unable to invest directly.

² Bhattacharya et al., 2012, Infrastructure for Development: Meeting the Challenge, CCCEP Policy Paper

Issues for consideration/Guiding questions

- i) What measures and strategies are required to ensure mobilization of adequate financing for critical infrastructure investments in energy, transport, education, health, water and sanitation and other sectors?
- ii) Which priority actions should be undertaken at multilateral level, including by international financial institutions and regional development banks, to scale-up financing of infrastructure for sustainable development, and what specific actions need to be taken by public and private actors to realize this objective?
- iii) What is the best option to facilitate the development and transfer of clean and environmentally sound technologies, particularly to developing countries?
- iv) How can partnerships between governments, the private sector, civil society, academia, philanthropic organizations and other actors be strengthened to contribute to the achievement of the SDGs?

Panel II: *The Role of Parliaments, Cities and Local Authorities in the implementation of the post 2015 development agenda*

In resolution 68/6 on the Outcome document of the Special Event to follow up efforts made towards achieving the Millennium Development Goals, Heads of State and Government underscored the need for an inclusive and people-centred post-2015 development agenda, with inputs from all stakeholders, including parliaments and local authorities.

The Inter-Parliamentary Union has also been invited, including through the forthcoming Fourth World Conference of Speakers of Parliament, to develop and submit a contribution on the post-2015 development agenda.

Parliaments play critical legislative, representation, and oversight roles which will be important in ensuring that commitments at the national level are met for the implementation of the post-2015 development agenda.

Local authorities, urban centres and cities play key roles in providing basic social services such as health, education, water and sanitation, which will be critical to achieving the SDGs. In the Rio+20 Outcome Document, Member States recognized that “cities are engines of economic growth which, if well planned and developed, including through integrated planning and management approaches, can promote economically, socially and environmentally sustainable societies”. The Third United Nations Conference on housing and sustainable urban development (Habitat III), which will take

place in Quito, Ecuador in October 2016, aims to reinvigorate the global commitment to sustainable urbanization through a “New Urban Agenda”.

Cities are growing and will continue to expand. Currently, more than 50% of the world’s population lives in cities and towns, thus making urban centres the dominant habitat of humankind. Urbanization affects all human settlements: rural villages, urban centres and cities. All these settlements contribute in different ways to national growth and sustainable development.

Many urban centers and cities in both developed and developing countries are facing various challenges with regard to socio-economic development and environmental sustainability. Hence, an integrated holistic approach across all sectors is an essential prerequisite for sustainable urbanization. For its implementation, a combination of tools is needed, including financial resources, technology development and transfer, as well as capacity-building. Local authorities, urban centres and cities face large investment needs for sustainable development, but are often constrained in their access to financial resources.

Issues for consideration/Guiding questions

- i) What role will national parliaments play in monitoring and reviewing the implementation of the post-2015 development agenda, including commitments on means of implementation?
- ii) How can local authorities and cities contribute to the implementation of the post-2015 development agenda through socio-economic and environmental sustainability initiatives and interventions at their respective levels?
- iii) What actions and measures need to be taken at national level to support the active engagement of parliaments, local authorities and cities in the implementation of the new development agenda?
- iv) What measures should be taken to address the resource and planning challenges that many local authorities and cities face?