

New partnerships to implement a post-2015 development agenda

Draft Discussion Note from Working Group E of the UN Task Team on post-2015

Final version: March 2012

Purpose of this Discussion Note

This note attempts to synthesize the rich contributions made by participants in Working Group E of the UN Task Team on the Post-2015 UN Development Agenda:

Assessing How the Global Partnership for Development Should be Broadened and Strengthened.

The role of the working group is to consider how the context for progress on development has changed since the turn of the Millennium, how it may continue to shift in the coming decades, and what this could mean for the partnerships that will be necessary to successfully implement any post-2015 development agenda.

The note is structured in three parts:

First, a summary of the current 'Global Partnership for Development' as articulated in MDG 8.

Second, a brief coverage of ten key trends which are shaping and will continue to shape the context for development:

- Population and migration
- The rise of the South
- The changing nature of development cooperation and proliferation of actors
- Inequalities
- The thirst for democracy and responsive institutions
- Sustainable, inclusive and equitable economic growth
- Technology development and use
- Multilateralism, plurilateralism and regionalism
- Crises and vulnerabilities
- Pressure on shared global environmental resources

Third, a list of principles and parameters that may be helpful in thinking about new partnerships for beyond 2015.

1. MDG 8 – the Global Partnership for Development

Within the present set of Goals, MDG 8 aims to “Develop a global partnership for development”, and comprises six targets:

- 8A: Develop further an open, rules-based, predictable, non-discriminatory trading and financial system *[Includes a commitment to good governance, development and poverty reduction, both nationally and internationally]*
- 8B: Address the special needs of the least developed countries *[Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction]*
- 8C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)
- 8D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- 8E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- 8F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technology

MDG 8 has been criticized for being the least well-defined Goal. The links between MDG 8 and MDGs 1-7 are not very explicit, the targets of MDG 8 are not explicit and do not capture all of the actions that countries need to undertake within a cooperative framework to deliver a ‘global partnership’; and the indicators do not always reflect the spirit of the targets (for example, dealing comprehensively with the debt problems of all developing countries is proxied by progress under the HIPC and MDRI initiatives that were restricted to a poorer subset of developing countries).

Since 2008, the MDG Gap Task Force, co-chaired by UNDP and DESA and comprising some 30 UN and other agencies, has assessed the extent to which the global partnership is being put in place by measuring progress on each of the targets. The reports surmise that while some progress has been made, further efforts are needed to bring the global partnership to its full potential.

Although the global partnership is framed as incentivizing stakeholders in all countries, the subtext is mostly about a compact between the ‘rich North’ (through ODA, debt relief, extensions of market access, and established private sector entities making technologies more accessible) and a ‘poor south’. This framing is increasingly losing its relevance as the lines between country typologies blur, and new modes of cooperation become relatively more important, particularly ICT-accelerated South-South knowledge sharing, regional integration and cooperation initiatives, public-private partnerships, the growing influence of new donors and philanthropy, and trade and investment. New global partnerships to implement a post-2015 agenda could consider more delineated responsibilities for all stakeholders.

2. The Shifting Context for Development: Major Trends

2.1 Population and migration

When the MDGs came into being, world population stood at just over 6 billion. Ten years later world population had increased by almost 1 billion to 7 billion, while projections suggest that it will increase by a further 2 billion by 2050. Increasing population impacts directly on the prospects for development. It can affect economies positively or negatively (through a larger productive workforce and higher growth, or through higher rates of unemployment and dependency). It can also pose additional challenges for service provision (particularly when coupled with rapid urbanization), the sustainable use of resources, waste management, and the orderly management of migration. In some regions of the developing world, particularly many countries in Africa that have yet to go through the demographic transition, the share of young people in the population is very high. In other parts of the world, populations are ageing and often declining, leading to labour gaps in key areas. All of these issues require policy responses from national governments, but may also require cooperation across borders, with direct implications for global partnerships.

Human mobility is at its highest levels in recorded history and is set to increase due to disparities in both demographics and opportunities. By 2010, the estimated number of international migrants was 214 million, an increase of 58 million since 1990. International migrants represented 3.1 per cent of the total world population in 2010. Migration from the south to north will continue, but new poles of attraction will also emerge in countries with growing economies and shrinking populations, such as China and South Africa. South-south migration will be an increasingly important component of international migration, whilst urbanization will continue apace due to migration within countries. Migration flows will be increasingly complex, making it harder to assign 'voluntary' and 'non-voluntary' labels to movement.

Increasing migration comes with opportunities and challenges. Managed properly, migration can contribute significantly to wealth, trade, job creation, and social empowerment. Remittance flows in recent flows have grown significantly, while diaspora investment has created jobs and economic linkages. But migration can also create dislocation in families where migration is restricted to individuals, and can also contribute to skills shortages in sending countries. Moreover, in the absence of adequate legal channels for migration, irregular migration, often with the aid of exploitative and illegal middlemen in the form of traffickers and smugglers, can seriously erode the protection of rights and the potential human and societal development gains that could be generated by lawful, protected, realistic and needs-based human mobility.

Climate change will potentially exacerbate some negative impacts of migration, requiring greater efforts towards disaster risk reduction. This will mean strengthening resilience of cities to absorb urban migrants, and protecting and supporting populations in vulnerable coastal areas or suffering soil degradation.

2.2 The rise of the South

Continuous high growth in large emerging economies – particularly China, India and Brazil – has led to a global economy with multiple poles. Many lower income countries, particularly in Asia, have also grown strongly, supported by the dynamics of regional and global integration and a benign global economy.

The economic strength of developing countries has translated into political influence, the most visible expression being the inclusion of many non-OECD countries in a G20 that now meets at the

level of leaders. These same countries are progressively gaining more voice and influence in the multilateral development banks and the IMF. Many countries are also playing stronger facilitating roles in broader multilateral processes.

Within the next few decades, we can expect to see a further blurring of the artificial line between north and south, and a more common set of challenges faced by all countries including inequalities, unemployment and job insecurity, access to energy, and the use of non-renewable natural resources.

2.3 The changing nature of development cooperation

The nature of development cooperation has shifted in the last decade, and can be characterized by a multiplicity of new and different flows from a larger group of actors.

Traditional ODA from DAC donors rose from 2000, reversing the decline of the decade before. The MDGs arguably played a part in this resurgence: to a large degree, the focus on expanding the provision of social services went hand in hand with a focus on ODA within the development narrative. ODA channeled through multilateral routes remained flat in this period, with more resources directed through bilateral donors and new vehicles (such as GAVI and the Global Fund). DAC donor ODA has been reasonably resilient despite the ongoing economic and financial crisis, although there are concerns over whether this situation will remain as slow growth and high unemployment continue in the OECD area. History has shown that the effects of economic recessions on ODA can be felt with a lag. Moreover, problems of aid quality remain, with only moderate progress made on many aspects of the Paris agenda.

Cooperation between southern countries has grown significantly in the last decade, but often not as grant ODA but rather in the forms of private investment, knowledge sharing, or concessions on market access. China, in particular, has invested heavily in infrastructure in many African countries. A number of developing countries have been providing preferential treatment to least developed countries' products. Brazil announced during the Seventh World Trade Organization Ministerial Conference, in December 2009, that it would provide duty-free quota-free (DFQF) market access to least developed countries' products, initially covering 80 per cent of tariff lines by mid-2010, with the intention to expand it to 100 per cent. Turkey provides DFQF for most LDC products in line with the Everything But Arms initiative, as it is in a customs union with the European Union; and China and India now also offer DFQF market access to certain LDCs. This trend towards south-south cooperation is likely to continue, with the share of DAC ODA declining as a proportion of all flows to developing countries.

The emergence of new donors offers welcome opportunities, as well as challenges in reaching a consensus on the underlying values, substantive content and desired outcomes of development and aid policy. At the recent Fourth High Level Meeting on Aid Effectiveness in Busan, signatories to the outcome document agreed to move towards a new global partnership for development effectiveness (albeit on a voluntary basis and with differentiated responsibilities), a concept broader than aid effectiveness. This new global partnership would be facilitated by UNDP and the OECD, while the UN Development Cooperation Forum could serve as a platform for discussion of the relevant issues. This agreement followed the conclusion of the Istanbul Programme of Action (IPoA) for the LDCs, which constitutes a renewed and strengthened partnership for development. The IPoA includes a broad range of stakeholders in addition to traditional development partners, namely South-South cooperation, parliaments, civil society including foundations and academia, as well as the private sector.

Non-state actors have become increasingly important partners in development cooperation. NGOs are engaging in both advocacy activities as well as service delivery. Philanthropic foundations have become large players in resource provision and cooperation, although sometimes surrounded by concerns over legitimacy, transparency and accountability.

As a source of development finance, FDI and other private flows are much greater than official aid. FDI represented approximately 4 per cent of financial inflows to developing countries in 2009, compared to private remittance flows (2 per cent) and ODA (0.5%). The business community has shown increasing willingness to advance sustainability objectives and UN goals, even as its own legitimacy has been questioned – resulting in an increased call for corporate sustainability and business ethics. Some businesses are moving towards a new form of corporate sustainability that takes account of social, environmental, financial and ethical considerations – the so called quadruple bottom-line. There is a new movement of responsible investors rapidly expanding to include investment strategies that achieve financial return while delivering on development objectives. In the coming decades it is possible that there will be a growing number of social enterprises – micro businesses that simultaneously pursue profit and social objectives. Trends suggest an expanding opportunity space for multilateral organizations and the public sector to leverage and expand collaboration with the business community through initiatives such as specific and sustainable public-private partnerships (PPPs) and the UN Global Compact.

2.4 Inequalities

Strong economic growth in many emerging economies, and slower growth in the OECD, has heralded some convergence between countries. But inequalities have grown across several other dimensions. The divergence between LDCs, LLDCs and SIDS and other developing countries has increased on average and is expected to grow further. Within the emerging economies themselves, growth has been accompanied by increasing inequalities, with nearly three-quarters of the global income poor living in middle-income countries (Sumner, IDS). Inequalities have also grown significantly within many OECD countries, prompting popular debates on disparities in remuneration and opportunities, and questions of institutional governance. Significant challenges remain in many countries in addressing inequalities that relate to gender, ethnicity, age, and disability. Partnerships, including in the areas of trade, migration, ODA and technology, have direct implications for whether inequalities can be reduced or are exacerbated.

2.5 The thirst for democracy and responsive institutions

In the past two years, governments seen as unresponsive to the needs of their citizens have been challenged and sometimes overthrown. The desire for political participation and economic opportunity has been heard loudest in countries experiencing the Arab Spring, but there have also been echoes in the countries of the north, as seen in the 'Occupy' movements.

This is reflective of an increasing bottom-up demand for human rights and democracy, in all regions of the world, in response to livelihood stresses, political repression and national and global regulatory failures in finance, food and basic commodities markets, and in relation to the environment.

There have been growing demands from civil society for accountability in the economic and social sectors, for more meaningful participation in associated decision-making and consensus building, and for greater attention to non-discrimination and equity.

2.6 Sustainable, Inclusive and Equitable Economic Growth

Continued and sustained economic growth is one of the main forces for reducing poverty in all countries. Several large emerging economies as well as small, low-income countries have generated higher rates of economic growth through increased trade or investment. In turn, inclusive and sustained economic growth has helped to ensure that the poorest people in many least and low-income countries have benefited. The contribution that trade, investment and the private sector can make towards ensuring sustained economic growth in a country can also have profound impacts on addressing other critical social concerns related to health, the availability of drinking water, rural development, safeguarding human rights and gender empowerment. Consequently, a development agenda for the years following 2015 will by necessity have to focus on making growth and economic development both sustained and sustainable – in other words, not just ensuring that economic growth is entrenched into the fabric of developmental policy, but also by ensuring that economic growth takes place within the rubric of sustainability and without environmental damage.

2.7 Technology development and use

Partnerships to implement the post-2015 development agenda will need to take stock of rapid changes in technology.

The last decade has seen a dramatic increase in the speed and extent of information flowing within and between countries. The rapid uptake of new information and communication technologies (ICTs) across borders has reinforced our sense of interconnectedness and the benefits of common endeavour, and are acting as a catalyst for achievement of all three pillars of sustainable development - social, economic and environmental.

Global campaigning by NGO coalitions has found new expression in social media largely because of this rapid uptake of ICTs. Developing countries have increased their share of the world's Internet users from 44% in 2006 to 62% in 2011 and there are now more than 6 billion mobile phone subscriptions worldwide. The increasingly ubiquitous nature of ICTs is providing the first global test of Article 19 of the Universal Declaration of Human Rights which guarantees freedom of expression 'through any media and across all frontiers', while research shows us that investment in any sort of ICT Network has a direct positive effect on GDP.

Beyond ICTs, there have been significant developments in technologies for agriculture, disease prevention and management, disaster relief and mitigation, and energy. These will be increasingly important for food security and nutrition, global health, and efforts to reduce the impacts of climate change. Access to these technologies should be facilitated through the new global partnership.

2.8 Multilateralism, plurilateralism and regionalism

The ability to agree an overarching development framework in 2000 was due in part to the relatively favourable environment that existed for multilateralism at the turn of the century. The 1990s had delivered a string of successful UN conferences that had agreed common agendas on gender, the environment, education and health, and even more politically sensitive issues such as population. The benefits of the post-cold war thaw were still being realized, and the widespread perception of rules-based globalization as a uniformly positive force for good had only recently been tainted by the Asian financial crisis.

In the last ten years, particularly following the global economic crisis, plurilateralism appears to have become the preferred option to international cooperation and multilateralism has waned. Neither has risen to the magnitude of common challenges faced. Broad multilateralism and plurilateralism alike have been tested by the economic crisis that is seen by many as having its origins in weak

economic governance in the 'North'. Recent UN summits – particularly on climate change, but also on financing for development – have failed to deliver strong outcomes. Yet, many argue that more than ever, broad and inclusive multilateralism is indispensable to tackle complex global challenges which cannot be solved by any Government or institution acting alone.

At the same time, partly in response to such challenges, the last decade has seen a growth of regional integration initiatives and many forms of intra-regional cooperation, including in the areas of trade, migration, and the management of shared resources. The regional dimensions of development are now being recognized as critical to ensuring effective and coordinated responses to the increasing number of trans-boundary issues facing humanity.

Regionalism has gained importance as a buffer against global shocks and crises at a time when global regulations and institutions have proved inadequate or ineffective. Consequently, the regional governance architecture is growing as an essential building block of effective global governance, with an important bearing on the decision-making process at the global level. Regional organizations and groupings have evolved as important players in determining the development agenda at all levels.

2.9 Crises and vulnerabilities

Globalization has brought countries together and provided opportunities that did not exist before, but it has also increased the risk that negative events get transmitted more rapidly. The recent succession of crises have exposed huge gaps in how globalization is managed, on issues ranging from food security to energy access, from financial regulation to climate change. These transmitted cross-border challenges are likely to continue in the coming decades, with global governance slowly strengthening only in reaction.

Heightened vulnerabilities will be further exacerbated by the increased frequency and scope of natural disasters that threaten opportunities for inclusive, sustainable and resilient development. Years of development gains may be reversed, as the poor are very quickly pushed back into conditions of absolute poverty thereby exacerbating the very conditions that exposed them to the shocks. Policy-makers and leaders may also find themselves unprepared for the sheer rapidity and scale of these changes, requiring that inequities and vulnerabilities need to take a more central role in post 2015 thinking.

Governments often do not have the full resources or capacity to undertake development challenges. In the case of disaster risk reduction, stakeholders like the private sector are warranted to take action to reduce vulnerability to hazards and protect assets and mitigate against economic losses. This is pertinent when considering that the private sector produces 85% of the investment into the global economy. The *Hyogo Framework of Action for Disaster Risk Reduction* has proved effective in galvanizing and bringing together the many stakeholders including national and local governments, parliamentary forums, inter-government organizations, non-government organizations, community-based organizations and practitioners, the private sector, academic and technical institutions, the media and international organizations.

2.10 Pressure on global environmental resources

The urgent need for climate protection and other dimensions of environmental protection is now far more recognized than it was twelve years ago. In addition to environmental sustainability, the volatility introduced by recent crises, and moreover the impacts that these have had on economic

and social wellbeing have emphasized that sustainable development needs actions in all three pillars: economic, social and environmental.

If the post-2015 development agenda is to incorporate an emphasis on sustainable development there will be vast implications for how the global partnership for development should be constructed. Given the truly global nature of the sustainability of our natural environment and cross-border relations, the global partnership should also be truly global and contain goals for all stakeholders. Policy coherence will become even more important, across policies relating to trade, investment, the environment and development policy.

3. Possible Principles for Constructing New Partnerships

To lay the ground for further discussion, the note concludes with some principles that could be used to define the parameters of partnerships to implement a post-2015 development agenda. These are proposed in the absence of knowing the components of that development agenda, but should be relevant in the scenarios of an MDG + agenda or a full set of 'sustainable development goals'. They are drawn from many of the suggestions that came from members of the working group.

- (i) Partnerships should reflect the full range of actors that have the potential to contribute resources to support sustainable development (governments, international organizations, the private sector, civil society, foundations).
- (ii) Partnerships should be encouraged at all levels (global, regional, national and local), with an eye on subsidiarity and applicability to context.
- (iii) Partnerships for specific groups of countries (LDCs, LLDCs, SIDs etc) should be encouraged, in line with existing commitments.
- (iv) Partnerships should be multi-directional: there should be no presumption of north-south or west-east flows of resources within any framework.
- (v) Monitoring and accountability of the contribution of different partnerships should be built into any framework from the start.
- (vi) Partnerships should be formed in a transparent way, with due consultation with the assumed beneficiaries of any partnerships.
- (vii) Consideration could be given to a dual structure for partnerships within a new goal framework:
 - Mainstreaming partnerships under each of the thematic goals (i.e. the successors to Goals 1-7), allowing a stronger link between the desired outcomes and means for achieving them.
 - Supplementing that with a broader "international enabling environment goal", covering areas of joint responsibility for global public goods. Possible areas for this international enabling goal are set out in the Annex 1.

Annex 1: Possible areas for any ‘international enabling environment’ goal

<p>Finance for development</p>	<p>Partnerships for domestic resource mobilization (tax administration, illicit capital flight, tax cooperation)</p> <p>Partnerships for public external resources (ODA, debt relief, orderly debt work-out mechanisms)</p> <p>Partnerships for private resources (lowering remittance costs, maximizing and improving the quality of investment)</p>
<p>Economic enabling environment</p>	<p>Partnerships for a multilateral trading system that is oriented towards sustainable, inclusive and equitable growth; and plays an important part in poverty alleviation and sustainable developmentⁱ</p> <p>Partnerships for a stable and regulated international financial system</p> <p>Partnerships for adequate investment in technologies for development, and access to those technologies (agriculture, health, energy access)</p> <p>Partnerships for well managed labour mobility, with the central objective of protecting the rights of migrants and their families</p>
<p>Shared natural resources</p>	<p>Partnerships to protect globally shared resources</p>
<p>Security and disaster response</p>	<p>Partnerships for conflict prevention and resolution, and investments in post-conflict assistance</p> <p>Partnerships to mitigate the risks of, and respond quickly to, emergency situations, including natural disasters</p>

ⁱ Implementing an agenda to delink growth from environmental degradation would entail substantial changes to the way we produce, consume, and trade, with regards to both goods and services. A post-2015 development agenda could therefore have substantial implications for the multilateral trading system, potentially requiring new global agreements on climate change, food security, and natural resources. Some of the issues that could constitute a post-2015 development agenda for the multilateral trading system could include: (a) further reducing barriers to trade; (b) promoting energy and food security; (c) fostering a developmental partnership by making the rules of trade more equitable and sustainable; (d) monitoring

protectionism and putting in place measures to restrict protectionism; (e) building trade capacity and trade related infrastructure through enhanced aid for trade and technical assistance.