

Development cooperation for people and planet: What will it take?

9-10 April 2015, Incheon, Republic of Korea
OFFICIAL SYMPOSIUM SUMMARY

I. Introduction

The Government of the Republic of Korea and UNDESA co-organized a Development Cooperation Forum High-level Symposium in Incheon, Republic of Korea from 9 to 10 April. The Symposium took place at a time when Member States entered into intensive negotiations of the outcome document of the Third International Conference on Financing for Development (FfD III). The Symposium aimed to inform the FfD III negotiations.

The Symposium focused on the theme of “Development cooperation for people and planet: What will it take?” In particular, it addressed three main issues: 1) the alignment of commitments and approaches to means of implementation emanating from different intergovernmental processes to deliver on a universal agenda; 2) the implications of the universal agenda for development cooperation; and 3) the adaptation of development cooperation towards the post-2015 development agenda.

The High-level Symposium brought together over 200 participants, including senior government officials as well as representatives of parliaments, civil society organizations, the private sector, academia and international organizations. It was co-chaired by H.E. Yun Byung-se, Minister of Foreign Affairs, Republic of Korea and Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs, UNDESA, and Secretary-General for the Third International Conference on Financing for Development.

Informed by 8 policy/issues briefs prepared by UNDESA, the host country and independent experts, the Symposium discussions yielded key messages for the FfD III negotiations:

- With the broadened post-2015 development agenda, it is crucial to mobilize additional concessional and non-concessional resources from all sources. All resources will need to be more strategically used and combined to generate long-term impact.
- ODA remains critical in the financing mix in support of the implementation of the post-2015 development agenda. Meeting past ODA commitments will help build mutual trust and confidence for the revitalized global partnership for sustainable development.
- ODA must adapt to the changing development context, placing a focus on the poorest and most vulnerable segment of the society, with poverty eradication at its core. It should also leverage other resources for sustainable development, with a certain percentage directed towards domestic resource mobilization (DRM).
- Financial and non-financial means of implementation should be part of the FfD III outcome. Each development cooperation modality has a unique role to play. They should be used in an interconnected way, responding to specific country contexts.

- Capacity building, technology development and policy change are an integral part of development cooperation for sustainable development. Development cooperation may prioritize enhancing local capacities, to enable countries to innovate, adopt and use technologies. Policy makers should also be made aware of the importance of investing in science, technology, and innovation, including STEM education.
- Implementing the post-2015 development agenda will require a change in mindset and ensuring true country ownership and leadership at all levels.
- Policy coherence at all levels is essential for the realization of any agenda. Irrespective of institutional setups, top leadership can drive coherence most effectively
- There is need for coherent policy guidance on means of implementation emanating from the FfD and Rio processes. The follow-up to the FfD process needs to be strengthened. ECOSOC should play a central role, especially given its engagement with the World Bank, IMF and other institutional stakeholders.
- The DCF serves as an integral part of the mechanisms in follow-up to FfD III, with its focus on development cooperation and its effectiveness in supporting achievement of internationally agreed development goals.
- New types of partnerships that engage developed and developing countries on an equal basis to jointly explore solutions to global issues (as distinct from North to South financial transfer) have emerged. The new ways of cooperation should be part of the new narratives for development cooperation post-2015.
- The impact of genuine and enduring partnerships will depend on effective tracking of progress against a diverse range of interrelated goals and targets related to financial and non-financial commitments at all levels.
- Mutual learning assumes added importance in the post-2015 era. Mutual learning can help all stakeholders to avoid repeating mistakes and build on what works. It should become an even more important function of global platforms such as the DCF.
- Communication should be given a priority. To reach real development progress, all actors and citizens should be informed about what the SDGs are, why they are important and how they and their governments can contribute to achieving them.

II. Summary of discussions

1. More development cooperation and a mix of development cooperation modalities are needed post-2015

The broadened post-2015 development agenda requires more resources, including ODA and other development finance. Development cooperation is more than ever expected to address poverty eradication, promote economic growth and ensure environmental sustainability in an integrated manner. It should carefully consider the potential trade-offs and synergies among the three dimensions of sustainable development.

Development cooperation should continue to explicitly support international development priorities that cannot be achieved by the market alone. It should continue to tightly focus on developing countries, with an objective to achieve higher levels of income and wellbeing; provide universal social basic services; address extreme inequalities and global challenges requiring collective action.

The right mix of development cooperation modalities and instruments should be determined by the specific country circumstances and priorities. Development cooperation is much more than ODA or other financial support. Financial transfer, capacity support and policy change can be identified as types of development cooperation. Each modality has a unique role to play and special value for specific country contexts. A strong country-level focus will be needed, supporting strengthened developing country capacities and institutions for managing resources in line with their priorities.

Despite its importance, development cooperation can only complement and not replace national development efforts. Countries are ultimately responsible for their own development. Desired results of development cooperation to a large extent depend on good domestic policies and strategies as well as successful domestic resource mobilization, with the support of an enabling international environment. It is also national governments that are in the best position to ensure synergies and minimize trade-offs among the three dimensions of sustainable development.

2. “Universality” demands engagement of all actors on a level playing field, fair institutions and a collaborative approach

Implementing a universal post-2015 development agenda will require a changed mindset towards collective responsibility. An international cooperation approach going beyond short-term national interests and addressing global problems as a global community is needed.

All actors have to review how they fit in implementation of post-2015 development agenda. Universality should bring out comparative advantages of all players. Towards that objective, the principles and rules of engagement must be fair and transparent so as to allow all actors to operate on a level playing field towards a shared, transparent and clear vision.

Implementing the universal agenda means localizing the SDGs. Each goal will need to be adapted to the specific local context in line with the idea of a common but differentiated approach. Common but differentiated responsibilities will also be important in the sense that the global community will have to value what different countries can bring to the table knowing that no one country can do it alone.

Revitalizing the global partnership for development to support sustainable development is an imperative. Governments alone will not be able to implement the agenda. There is a strong need for healthy multi-stakeholder partnerships so that all actors can be involved in promoting sustainable development.

The relevance and complementary role of South-South cooperation will only increase, as a complement to North-South cooperation. Its focus on mutual benefit, capacity building and knowledge sharing makes it well suited to tackle challenges of a changing world.

While developed countries must honour ODA commitments, there is also need to broaden and deepen development cooperation frameworks and mechanisms to address challenges requiring global action. Developed countries will continue supporting developing countries, but, at the same time, will have to implement relevant aspects of the agenda, such as sustainable consumption and production in their own countries.

Member states will also need to take into account systemic issues, such as taxation, technology transfer and trade regimes, calling for strong multilateralism. Without the rules of the game being adapted to support a post-2015 development agenda, development

cooperation won't live up to its potential. Development aid that is being provided to developing countries is being dwarfed by illicit financial flows leaving these countries.

3. Policy coherence at various levels and in capitals is essential for better outcomes

Incoherence exists at various levels, including in capitals of donor countries, which cascades into developing countries trying to respond to priorities of a myriad of external development agencies. *Implementing the new agenda will demand greater policy coherence for sustainable development outcomes at all levels.*

Coherence necessitates joined-up government with a single, holistic cross-government approach. Commitment of political leaders at the highest level will be needed to spur more structured collaboration among institutions to ensure that all policies (not only development cooperation), are geared towards addressing all three dimensions of sustainable development in a more integrated manner.

Experiences in this regard abound. Existing success stories show that locating the coordination function in many cases at central decision-making levels (e.g. Prime Minister's office) facilitates coherent government decision-making.

Policy coherence has to be supported by coherent and aligned financing frameworks. *Different reporting frameworks will also have to work together coherently.*

4. ODA has to flow where it is most needed

ODA will have to flow beyond targeting developing countries to targeting populations within them, taking the multi-dimensionality of poverty into account. ODA must be better targeted to reach the people most in need, taking into account domestic capacity, the numbers of people living in extreme poverty, the proportion of people living in poverty and the depth of poverty.

ODA still remains the most important financial flow to LDCs and most fragile states. More ODA will need to be allocated to LDCs, low-income countries, LLDCs, and fragile and conflict affected countries who will continue to rely on ODA and don't have access to other sources. While it will be insufficient as a means on its own, it should focus on supporting domestic resource mobilization and respond to the new mix of resources, maximizing the other flows to achieve sustainable development.

ODA has to go where private finance will not go. There is evidence that ODA is most crucial for countries in which governments' total expenditure for citizens is less than \$500 per capita per year (300 million people). ODA must also be channeled to areas where the private sector will not go alone, e.g. the social sectors and public infrastructure.

5. Multi-stakeholder partnerships will prosper with an enabling environment supported by governments

Within a drastically different development landscape, the new agenda can be a catalyst for innovative partnerships that harness the strengths and advantages of different partners and provide aligned support to national sustainable development strategies. *Partnerships must be*

based on clear agendas and purposes and on principles of effectiveness of development cooperation.

Improved communications is vital to secure the engagement of all actors. Many actors are not sufficiently informed about relevant global and national development goals and targets, or do not fully grasp the external context. The global community, with governments in lead, should ensure that all levels, especially the implementing agents on the ground, have the relevant information needed to deliver on global commitments.

It is crucial to create coherence in partnerships at all levels and maximize institutional synergies between the institutions that are already in place. This might require a focal point who understands the issues from local, national and global perspective and can bring together the different agendas of different stakeholders. If possible, there should be government leadership taking up oversight role, avoiding parallel structures and strengthening the capacity for service delivery.

It is vital to strengthen the capacity of all actors to engage in multi-stakeholder partnerships. Especially, effective monitoring and review and statistical capacity, which will allow for strengthened role of parliaments, civil society and audit institutions to conduct independent research and assessments, are key.

While the contribution and importance of the private sector as partner in development are important, its limitations as partner should be better recognized. Private sector investments should respond to national development priorities and not the other way round.

6. Public finance, including development cooperation, has a strategic role in building capacity and facilitating innovation

Innovation is critical at all levels: the development of new technologies, product, process and business model innovations, and adaptation of existing tools and technologies to local contexts, and the deployment of these technologies. *Building innovation capabilities in developing countries requires greater investments, with the pre-requisite that senior policy-makers understand the significant returns on such investments.*

Sustainable development technologies often require public intervention. Markets and private investments, including foreign direct investment, will undersupply technologies, especially those that benefit the poor. *There is thus an important role for the public sector and development cooperation to support sustainable development technologies.*

Development cooperation can play a key role in strengthening skills and building capacities. It has already played a key role in many areas, such as agriculture and health, and can continue to do so by helping develop and deploy sustainable development technologies and building local capacity for use of such technologies, including by women in particular, civil society, academics, private sector and government.

Intellectual property rights (IPRs) should not become a hindrance to efforts to ensure that technologies are made accessible and affordable to developing countries. Technology will play a key role in the implementation of the new agenda. Access to, and affordability of technology is critical. Investments in driving innovation will be needed, while using available technologies more efficiently.

Greater emphasis on compilation and analysis of data is needed at the sub-national level, since many development challenges and opportunities arise and are tackled at that level.

Local and regional actors, given their important roles as implementers on the ground, should be empowered and trained to collect relevant data and information, strengthening their capabilities to report on progress. At the same time relevant infrastructure should be provided to enable them to do so. National capacities have to be built to better capture and analyze development-related data.

7. Monitoring and review of development cooperation should learn from the past and capture the real impact on people

Monitoring and review of development cooperation will be ever important in a post-2015 setting, requiring sound technical expertise to define measurable indicators in a transparent and inclusive way. *Reviews of development cooperation present an essential opportunity for mutual learning and knowledge sharing, thus improving implementation processes.*

Country level monitoring and review mechanisms will need to be adapted to face more ambitious and complex commitments. They should build on existing frameworks and practices, rationalizing them, adjusting their focus as needed and strengthen coherence among them, creating a holistic framework for effective monitoring and review of development cooperation.

A strong follow-up and review process will be needed to the agreed financing framework and post-2015 development agenda, including a careful consideration by all partners. The role of ECOSOC should be central, given its core functions, convening power and close connections with other key institutions.

Any framework assessing effectiveness of development cooperation modalities should incorporate existing assessment tools and include additional relevant effectiveness criteria, such as the principles of aid effectiveness and other cooperation modalities. It has to account for the transformative nature of the post-2015 development agenda and have poverty reduction as its overarching goal.

Sustainable development can only be measured by how people are living. Data and information are the backbone of all monitoring efforts. Data needs to be published in a timely fashion in a common, open, accessible and easily to understand format, so that it truly becomes information that the public can process.

The DCF will remain an inclusive policy space for discussing the implications of a unified and universal agenda for development cooperation as well as monitoring and review of trends and effectiveness of development cooperation.

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