Towards a post-2015 development framework

<u>Contribution of the Government of the Netherlands to the Public Consultation of the</u> <u>European Commission</u>

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A: The MDGs: benefits and limitations

1. To what extent has the MDG framework influenced policies in the country/ies or sectors you work in/with?

The MDG-framework has been the main international guideline for Dutch development policy. Since 2006 Dutch development policy has focused on:

- 1. MDGs that have seen relatively little progress.
- 2. Fragile states where little or no progress on the MDGs has been made.
- 3. Issues on which the Netherlands has special expertise.

2. To what extent has the MDG framework been beneficial for the poor in the country/ies or sectors in/with which you work?

- *The MDG-framework has been a beneficial communication and mobilisation tool, increasing and maintaining attention for the plight of the poor.*
- It has ensured a certain measure of complementarity in efforts to address poverty.

3. What features and elements of the MDG framework have been particularly valuable in the fight against poverty?

- The global consensus on the MDG framework has been a crucial feature of its success.
- The current set of goals is time bound, specific, measurable and appeals to a larger audience.
- A lot of effort has been put in aspects such as monitoring and comparability.
- The structure of the framework, consisting of a broad political declaration on the one hand (the Millennium Declaration), and eight goals with specific targets and indicators on the other, is one of its strengths.
- Mobilisation tool for additional finance.
- Establishment of new partnerships between donors and partner countries on MDG themes.
- 4. What features and elements of the MDG framework have been problematic, in your view?
 - As a globally defined set of goals, the MDGs are difficult to apply to country-specific situations. There remains significant disparity in progress amongst different countries.

- Even in countries that have seen impressive progress on the MDGs, certain disenfranchised and particularly vulnerable groups, including minorities, the disabled and children, have not shared in the benefits of developmental gains.
- There is an imbalance in the burden of implementation: developing countries are responsible for all but Goal 8.
- There are serious gaps in the current framework (see under question 5).
- Absence of agreed goals for security, rule of law and governance to address specific problems of countries in conflict-affected and fragile situations.

5. In your view, what are the main gaps, if any, in the MDG framework?

- The MDG framework does not sufficiently address economic development, including the role of the private sector and relevant financial flows beyond the relatively restrictive and dated definition of ODA. As a result important development relevant efforts are not included.
- Sustainability, governance and accountability are not sufficiently woven into the MDG framework.
- The framework lacks a human rights-based approach and does not address peace and security as a necessary condition for development.

B. Feasibility of a future framework

6. In your view, in what way, if at all, could a future framework have an impact at global level in terms of global governance, consensus building, cooperation, etc.?

Developing countries should take the lead in voicing their priorities and delivering substantive input, to ensure ownership and avoid a donor-driven process. A future framework should also benefit from consensus reached in Busan between a group of fragile states (g7+), international organizations and donor countries on goals and principles on engagement in fragile states (New Deal).

Moreover, a future framework should be attained in cooperation with new actors such as new donor countries, the private sector, and private flows of finance and should encompass broader themes than the current MDG set of goals. Importantly, the role of ODA in relationship to other relevant financial flows should be revisited. This will ensure a shift from development aid towards international cooperation.

7. To what extent is a global development framework approach necessary or useful to improve accountability with regard to poverty reduction policies in developing countries?

The Millennium Declaration and MDGs have been useful, but have some shortcomings (see under A). Poverty reduction policies are based on current MDGs, hence continuity is desirable. The global context has changed since the formulation of the MDGs. A new set of goals could give a fresh impetus to development, address the shortcomings of the current MDG framework and adapt the framework to the current situation, taking into consideration that increasing levels of ODA provided by the actual membership are accompanied by the entrance of new players and an even more prominent role of non-traditional flows of financing for development.

8. What could be the advantages and disadvantages of a global development framework for your organisation/sector, including how you work effectively with your partners?

Depending on its formulation, a global development framework could provide an international set of goals which could subsequently be translated into goals at the national or even subnational level. If the framework includes measurable goals, these could be used by national governments to guide development activities of various stakeholders/partners in developing countries, enabling effective cooperation, notwithstanding the different focus areas of different partners. A global development framework could also be a valuable tool to mobilise public opinion, political support and additional finance.

C. The potential scope of a future agenda

9. In your view, what should be the primary purpose of a future framework?

The Netherlands strives to create a framework which enables countries to become equal partners at the global level. This means that the overarching relationship between development partners will not be based just on ODA, but will gradually move to a basis of mutual economic benefit. The future framework entails sharing of responsibilities in the financial, economic, social and environmental domain. The framework should also include possibilities for civil society and the private sector to take up their responsibilities in strengthening equitable economic growth. The new framework should strike a better balance between the three current pillars of sustainable development (social, economic and environmental), linked with the follow-up of Rio+20 and complemented by a fourth pillar: peace and security (link to New Deal). In the future agenda, apart from poverty reduction, attention should be paid to enablers of sustainable economic growth, human capital development, new partnerships and food security. It is important to link this agenda with the post-Busan process on a Global Partnership for Effective Development Cooperation. New modalities need to be defined to make use of innovative methods of financing and better involve new actors, including the private sector and emerging donors.

10. In your view, should its scope be global, relevant for all countries?

In our view, there could be a political declaration which includes topics that are important yet difficult to measure (including human rights, good governance and the principle of sustainability) and an operational part with clearly measurable goals and indicators. Whether goals and topics would be relevant for all countries would depend on their content. Some (sustainability) could have a global scope and others would be more country specific (related to current MDGs).

11. To what extent should a future framework focus on the poorest and most fragile countries, or also address development objectives relevant in other countries?

The position of fragile states and LDCs deserves special attention and should be addressed.

12. How could a new development agenda involve new actors, including the private sector and emerging donors?

It is important to include these actors from the beginning, at the consultation stage, and let them indicate how they envisage their own contribution. In this regard, the inclusion of Ms. Maina (Kenya's Association of Manufacturers), Mr. Polman (Unilever) and eminent persons from emerging donors countries in the High Level Panel, is a welcome signal.

13. How could a future framework support improved policy coherence for development (PCD), at global, EU and country levels?

Formulating overarching goals and an evaluation framework would support PCD at all levels. It is therefore important to work towards international consensus on relevant indicators for PCD. The OECD and EU are appropriate fora to discuss and develop objectives and indicators and develop methodologies for monitoring the impact of PCD. Monitoring PCD is however not just a technical exercise but also a political challenge. Building on the existing international consensus, the PCD agenda needs to be strengthened. Important non OECD countries such as Brazil, China and India should be involved in this debate. It would perhaps be an idea for further exploration to jointly formulate a PCD index, in order to compare the efforts of different countries in the field of PCD. The Netherlands is working on a pilot to monitor the impact of coherent policies in three partner countries (Ghana, Mali and Bangladesh). See also annex: ECPDM report Measuring Policy Coherence for Development.

14. How could a new framework improve development financing?

Globally, the importance of new actors, such as non-traditional donor countries and the private sector in development is increasing. FDI, remittances and other external flows have an ever more prominent role and the significance of domestic financing is gaining more importance. On 14 May the Council agreed to discuss the role of ODA in relation to other capital flows. The discussion of a new framework offers a good opportunity to involve new actors in the elaboration of a framework that captures traditional (ODA), external financing flows and all other contributions for development.

A more inclusive picture with other external flows could include concessional and nonconcessional flows, public and private flows, originating from both OECD and non-OECD countries, including investment, loans, grants and other instruments of finance for development. Many of these flows do not meet the conditions for eligibility of ODA, either because they are not primarily aimed at development, or because they have a grant element of less than 25%. The Netherlands is of the view that the ODA-framework is dated and in need of revision. A revised version of the ODA framework should capture not only traditional ODA-flows, but also other external financing flows for development.

D. The potential shape of a future agenda

15. What do you consider to be the "top 3" most important features or elements which should be included in or ensured by any future development agenda?

A future development agenda should in our view combine a focus on poverty eradication with an emphasis on rights, global public goods, enablers of sustainable growth and security/rule of law issues. Human rights, including the rights of women, sexual and reproductive health and rights (SRHR) and gender equality are issues that should also be addressed in the agenda. See also under question 9.

16. What do you consider to be the "top 3" features or elements which must be avoided in any future development agenda?

(i)The framework should not become an overloaded 'Christmas tree' with goals and topics.

(*ii*) *Discontinuity with the positive aspects of the current framework (see question 3) should be avoided.*

iii A lack of coordination with parallel processes (SDG Working Group, ICPD) must also be avoided, to avert conflicting and separate outcomes. It is crucial that the post-2015 process and the SDG-process converge after 2013.

(iv) The perception of a donor-driven framework should be avoided. The burden of implementation of the development agenda should not be placed on developing countries alone. Balanced responsibilities are required based on partnership in execution.

17. Should it be based on goals, targets and indicators? If any, should goals have an outcome or sector focus? Please give reasons for your answer.

See response to question 10. A future agenda could have a part that is based on clear goals, targets and indicators, and another part that is not. Whether goals should have an outcome or sector focus should be decided during the process.

18. How should implementation of the new framework be resourced?

The focus should be broader than just ODA, encompassing broader partnerships and alternative flows of knowledge and finance for development, including trade, private investment, remittances and domestic resource mobilisation. The possibilities of innovative financing through Public Private Partnerships, solidarity mechanisms or catalytic mechanisms (as distinguished by the World Bank) should also be explored. It is time to enhance dialogue with emerging economies and private actors to build coalitions and ensure that discussions on financing for development feature prominently in events that will shape the post-2015 global development framework.

Annexes

- ECDPM-report: Reporting on Development: ODA and Financing for Development (April 2012) <u>hyperlink to report</u>
- ECDPM-report: Measuring Policy Coherence for Development (May 2012) <u>hyperlink</u> to Volume 1 of the report - <u>hyperlink to Volume 2 of the report</u>