Troika: Australia, The Netherlands and United Kingdom

Sustainable Development Goals Open Working Group, 6th session, 10 December 2013

Means of Implementation (science and technology, knowledge-sharing and capacity building);
Global partnership for achieving sustainable development

International development cooperation is changing rapidly. There is a growing recognition of the importance of a new global partnership with robust accountability, effective measurement of results and policy coherence for development. New actors, new sources of finance and new avenues of cooperation are increasingly important. Overseas Development Assistance is a decreasing proportion of global development flows, with developing countries becoming donors, domestic resources growing rapidly and businesses expanding into new markets. For other countries however, ODA will remain crucial for their development in the foreseeable future. These changes should be taken into account as we reflect on how to implement the post-2015 development agenda. We welcome the TST papers on this topic.

1) Key to the post 2015 development agenda is to move to a new global partnership that is based on shared responsibility and respects and reflects contemporary realities. As the TST paper stated, the MDG partnership was based on a "donor-recipient" concept which played an important role in making progress towards the MDGs but which is now largely outdated. All parties need to be contributors to success and it should be recognized that capabilities, capacities and actions required at different stages of development differ between countries, but that they also can evolve. The partnership should be built on the enduring principles of equity, sustainability, transparency and policy coherence for development.

2) All potential financial flows from national and international, as well as public and private sources should be included. The Monterrey framework on Finance for Development (FfD) should be the basis for the discussions on financial flows. We need to focus on mobilization as well as the effectiveness and access to the finance that is available for development.

3) The comparative importance of ODA in total FfD flows has declined relative to that of private flows such as Foreign Direct Investments, trade and remittances, except in the lowest income countries and conflict affected states. ODA remains very much needed in the poorest countries and for financing global public goods. Many Least Developed Countries (LDCs), Small Island Developing States (SIDs) and Land Locked Developing Countries (LLDCs) still rely heavily on ODA for their development investments. ODA will continue to play an important role for these countries. ODA worldwide should be targeted to those people, countries and sectors where the need or impact is greatest. Efforts to meet ODA commitments should be made. Aid effectiveness should be part and parcel of our approach, including strong and coherent multilateral organizations. We welcome the statement in the task team paper that a data revolution for sustainable development is necessary.
4) We also need to be more specific on the potential role of the private sector in sustainable development. It is important to acknowledge the private sector is the engine of economic growth and job creation in most developing countries and most technology transfer occurs through private investment. Governments can partner with the private sector to grow investments where it is needed most, such as in sustainable infrastructure investment. Governments can also partner with business to maximize the positive social and environmental benefits of private sector operations. By focusing on international corporate social responsibility in their production processes, and including social and environmental costs in their management plans, business can play a pioneering role in bringing about change at the international level. Equally, a robust and secure domestic environment will promote foreign direct investment, encourage entrepreneurship and grow local business. It is encouraging to see that developing countries with sound policies have gained access to international capital markets. Continued good governance is needed in both developing and developed countries to manage the risks involved with external debt.

5) As Erik Solheim said, more resources for sustainable development can be stimulated by building greater coherence between public and private flows of money. Innovative ways of cooperation and financing are needed. Increasing the possibilities to use public finance to catalyze private sector investments can therefore be an effective and sustainable method for financing development. Tailored, innovative approaches that build investor confidence and reduce risk can help mobilize private sector’s finance for sustainable economic growth. Measures such as Public Private Partnerships, equity funds, guarantees, co-investment, concessional finance or subsidies that enhance returns can all act to encourage investment in sustainable development activities. We should also promote inclusive access to finance, including economic opportunities for women. The WBG *Women, business and the law* report says over one hundred countries have regulations that form obstacles to the economic participation of women. This should be addressed.

6) Developing countries should be supported in obtaining financial independence in the long-term. Increasing domestic public resources and improving public finance management are essential. Some developing countries have good opportunities to increase tax collection, tackle tax avoidance, reduce illicit flows and optimize royalty income from extractive industries. Other developing countries do not yet have the capacity nor have the economic position to increase their domestic public resources. For all developing countries improvement of an enabling business environment and improving access to financial services for all can further support the increase of domestic resources. The international community should provide support for capacity building, addressing illegal financial flows, debt relief and improving debt sustainability to support the potential contribution of domestic resources to sustainable development for all.
7) Operational multistakeholder partnerships around the new goals are crucial. We should start to think carefully about how to pull together existing partnerships and build the necessary new partnerships. We commend the efforts of the United Nations in this regard. Mainstreaming around a goal has mobilized new funds and ideas in the past. Inspiring examples include the GAVI Alliance, Sustainable Energy for All, Sanitation and Water for All and initiatives around the food/energy/water nexus.

8) An open, fair and sustainable trading system is needed. This will give countries better opportunities for new sources of sustainable income in the long term. Breaking non-tariff barriers, improving access to special and differential treatment for LDCs and full duty-free and quota-free access for LDC exports are crucial. However, certain economic conditions have to be fulfilled before a country can fully reap the benefits of free trade. Therefore, some countries will need additional support to improve their institutions and business environment to better facilitate their participation. We strongly welcome the agreement reached in Bali on a package covering trade facilitation, agriculture and development on 7 December. The Bali package will ensure that cost of international trade will be reduced and it helps developing countries to further integrate in global value chains. We welcome the development outcomes from Bali and look forward to further work in the WTO to build on the Bali outcomes, including continuing to pursue further trade liberalizing outcomes that will benefit developing countries.

We reiterate the potential for effective and diverse partnerships for sustainability and eliminating poverty, including governments, international organizations, civil society and the private sector.