TST Issues Brief: Means of Implementation; Global Partnership for achieving sustainable development[1]

1. Introduction

The notion of 'Means of implementation' describes the interdependent mix of financial resources, technology development and transfer, capacity-building, inclusive and equitable globalization and trade, regional integration, as well as the creation of a national enabling environment required to implement the new sustainable development agenda, particularly in developing countries.

The implementation of the post-2015 development agenda will require **States and other relevant actors, acting individually and collectively, to adopt policies and mobilize resources to advance equitable, human rights-based, sustainable development.** In this regard, a renewed and strengthened global partnership for mobilizing the means of implementation needs to (i) address the social, economic and environmental dimensions in an integrated manner; (ii) build on existing commitments and governance structures, ensuring that new initiatives reinforce previous successes; (iii) reinforce coherence in the implementation of a universal post-2015 agenda, leveraging resources across diverse funding mechanisms; and (iv) strengthen governance and accountability frameworks, providing for multi-stakeholder engagement, including for financing, technology innovation and diffusion, and capacity building for people and institutions.

2. Stocktaking

States, acting individually and collectively, bear the primary responsibility for implementing the development agenda. Other actors at the national, regional and global level share responsibility for supporting sustainable development, particularly in those areas where collective decision-making is needed, i.e. in the provision of global public goods.

At the global level, **the concept of partnership has been used for many decades to describe a compact of commitments on promoting development**, entailing national ownership and leadership, supported, in the case of developing countries, by conditional financial transfers, technical assistance, trade preferences, and accordance of special and differential treatment. The current **global partnership for development** (MDG 8) was conceived at the United Nations Millennium Summit in 2000 and enhanced in the 2002 Monterrey Consensus. The global partnership has played a central role in bringing attention to fulfilling aid targets, increasing market access, providing debt relief, improving access to the benefits of information and communication technologies (ICTs) and essential medicines. It also helped bring greater focus to the special needs of the most vulnerable countries, namely LDCs, LLDCs and SIDS. Yet, MDG 8 has important gaps and systemic shortcomings, and there is a discrepancy between its initial level of ambition and its actual implementation. MDG 8 failed to integrate sustainable development concerns as well as international human rights commitments. It also lacked stakeholder accountability and, in some cases, measurable targets. In addition, MDG 8 perpetuated a "donor-recipient" type of relationship and did not pay sufficient attention to development financing other than aid.[2]

Multi-stakeholder partnerships have proven successful in mobilizing resources, have brought efficiency gains in programme delivery, and have also helped to build consensus around controversial issues. Yet, when not carefully built, overseen and implemented, some multi-

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[2] United Nations, 2013, *MDG Gap Task Force Report*

stakeholder efforts have had a poor track record of promoting systemic change, may have resulted in a greater fragmentation of financing, and have sometimes created parallel structures of delivery. Initiatives such as Every Woman Every Child (EWEC), Sustainable Energy for All (SEFA) and the Zero Hunger Challenge (ZHC) have proven that with leadership, coherence and accountability, the multi-stakeholder partnership model works in mobilizing new money, catalyzing innovation, and achieving scale. As the experience of these initiatives shows, multi-stakeholder efforts combined with ODA can leverage financial and other resource flows from both public and private sectors, as well as mobilize resources such as technology, research, human capacity, and more.

Sustainable development financing comes from domestic and external sources, and includes both public and private flows. Public and private sources should be seen as complements, not substitutes, as each has unique objectives and attributes.

Public policies and sources of revenue are critical both to address market failures and to raise resources for financing long-term investments in infrastructure, high risk investments such as innovation and new technologies, other global public goods, and merit goods like social protection and basic education. Despite improvements in recent years, there is a significant gap between developed and developing countries in their capacity to raise public revenues. The median tax-to-GDP ratio in low-income countries remains only about half the median ratio in high-income countries. Substantial State resources are often tied up in debt repayments, despite previous debt relief initiatives. In addition, illicit financial flows seriously undermine many countries' efforts to mobilize domestic resources.

Globally, official development assistance (ODA) remains an important source of public financing for developing countries, particularly those without sufficient access to other sources. In the least developed countries, ODA represents about half of all external financing available to close their savings gap[3]. Yet, the 0.7 per cent of gross national income (GNI) ODA target, including the 0.15 per cent to 0.20 per cent target for least developed countries, remains largely unfulfilled by donors. Since 2010, when it reached its peak, ODA from OECD DAC member countries has fallen for two consecutive years, by a total of 6 per cent in real terms, to $125.6 billion in 2012[4].At the same time, a range of innovative development financing proposals have been successfully implemented in recent years, but need scaling-up to raise additional financial resources.

To address the existing scarcity of public finance for sustainable development, North-South public finance transfers related to climate change and ecosystem finance activities among others have increased over recent years. There has been a proliferation of public, private, domestic, bilateral and multilateral sources of financing with over fifty international public funds (multilateral and bilateral), 55 carbon pricing mechanisms and countless equity funds in operation. As a result, the financing landscape is complex and inefficient, with many funds underfunded.

In terms of private sources, domestic financial systems in many developing countries lack depth and tend to be dominated by banks, whose financing is generally short-term in nature. Equity and bond markets remain underdeveloped in many countries. Foreign direct investment (FDI) is generally the main external private source. . However, in both developed and developing countries, the private sector does not sufficiently finance sustainable development investments - including preserving the global commons and other global public goods, long-term investments such as infrastructure, and high risk investments such as innovation and new technologies, SMEs and other aspects of inclusive finance such as women's access to financial services. Therefore, in order to leverage private finance,

[3]UNCTAD, 2012, *Least Developed Countries Report*, Geneva
[4]http://www.oecd.org/dac/stats/aidtopoorcountriesslipsfurtherasgovernmentstightenbudgets.htm

it is a task of governments to align the interests and incentives of the public and private sectors as well as financial actors with the imperatives of sustainable development.

Article 15 of the International Covenant on Economic, Social and Cultural Rights recognizes the right of all people "to enjoy the benefits of scientific progress and its applications." UN commitments over the past 20 years have facilitated **technology transfer** across the world. However, progress in technology transfer has fallen short of the ambitious goals laid out in Agenda 21 and subsequent sustainable development outcomes, and technological progress has sometimes failed to produce envisaged development results. This is often due to the absence of a favourable enabling environment. As stated in the Monterrey Consensus: "Foreign direct investment contributes toward financing sustained economic growth over the long term. It is especially important for its potential to transfer knowledge and technology, […]. A central challenge, therefore, is to create the necessary domestic and international conditions to facilitate direct investment flows". While important, FDI is not the only source of technology. Trade is an additional important means for diffusing new technologies and knowhow, including environmental technologies.

The share of GDP devoted to Research and Development (R&D) in developing countries has increased from about a quarter of the share in developed countries in 1996 to nearly half of it in 2007.[5] South-South Cooperation has become an important catalyst for absorption of technologies tailored to developing countries' needs. Further empirical evidence is required on the relationship between intellectual property rights and technology transfer to support policy makers in finding the right balance between accessibility and reward (for creativity and innovation) which remains a fundamental challenge in building inclusive and sustainable development paths.

Technology's potential to address concerns over growing resource scarcity and worsening environmental degradation has begun to be drawn on, but there is still enormous unrealized potential. The challenge is to decouple – through environmentally sound technologies – service provision from resource use and environmental degradation. It is technically feasible to increase global eco-efficiency by a factor 4 or more by 2050.[6]

Capacity building is a cross-cutting issue in all sustainable development policy documents, including Agenda 21 and the Rio+20 outcome document. It is inextricably linked to funding, the science-policy-society interface, and monitoring and assessment.

The UN-coordinated capacity building work at the national level is in part focused on mainstreaming human rights and environmental sustainability in UN country programming processes. This includes the work on developing One UN programmes, the UN Development Assistance Frameworks, the MDG Achievement Fund, and targeted training courses, among others, recognizing the special needs of least developed countries. The Rio+20 outcome document also called for the continued and focused implementation of the Bali Strategic Plan for Technology Support and Capacity-building[7], as endorsed by UN General Assembly. In addition, there is a need for capacity-building for policy coherence and integrated approaches to sustainable development, which is lacking in all countries.

Trade growth has decelerated since the global economic and financial crisis, but merchandise trade in developing countries continued to grow faster than the world average. As a result, several

[5] World Bank, World Development Indicators

[6] v. Weizsaecker, 1998, *Factor Four; Decoupling Report International Resource Panel*

[7] The UNEP Governing Council /Global Ministerial Environment Forum (GC/GMEF) adopted the Bali Strategic Plan for Technology Support and Capacity Building (BSP) at its 23rd Meeting in February 2005, which provides a framework for UNEP to strengthen the capacity of governments in developing and transitional economy countries to achieve environmentally sustainable outcomes consistent with the programmatic goals of the Council.

developing countries have emerged as key players in the global economy, successfully using participation in the multilateral trading system to generate growth, employment, and poverty reduction. But other developing countries, particularly the smaller, poorer, and more vulnerable ones, have yet to reap the full benefits of trade, reflecting a lack of productive and export capacity and, in some sectors, distorted markets and complex non-tariff barriers.

3. Overview of Proposals

A renewed, inclusive and strengthened global partnership that embodies the core values of **human rights, equality, including gender equality, and sustainability** is at the heart of many proposals for the post-2015 development agenda. The UN Task Team has called for a global partnership in a spirit of mutual respect and benefit, based on strong collective actions and clear commitments of Member States. The Ethiopia Symposium of the Development Cooperation Forum found that the renewed global partnership (i) must build on MDG 8 and the global partnership for development, as set out in the Millennium Declaration, Monterrey and Johannesburg; (ii) should continue to concentrate on ending poverty and promoting sustainable development; (iii) must build on ODA and ensure that commitments are fulfilled; (iv) must be owned and led by the range of stakeholders; (v) should strengthen statistical and other capacity in developing countries; and (vi) should promote complementary partnerships at all levels.

The Secretary-General's High-level Panel also recommends multi-stakeholder partnerships in each thematic area of future goals, on a national, regional and global level, to agree to respective responsibilities and accountability for implementation. The Sustainable Energy for All initiative, the Zero Hunger Challenge, Every Woman Every Child along with others such as the Global Alliance for Vaccines and Immunisation (GAVI), are good examples of such partnerships. Partnerships are also an increasingly important tool for the UN system. With its convening power, the UN is well-placed to bring a wide range of actors together. The Secretary-General has proposed a new UN partnership facility, to help achieve greater accountability, coherence, efficiency and scale, and a more supportive enabling environment for UN partnership activity. It will do so by ensuring transparency and integrity to partnership efforts; providing common support services that will facilitate the work of the UN system with external players; creating a platform for information-sharing across the system; and supporting multi-stakeholder partnerships under the Secretary-General's leadership.

Significant private and public resources will have to be mobilized to support the post-2015 development agenda, and the overall financing framework will have to include both. The Secretary-General's High-level panel suggested that this overall framework could be based on the Monterrey principles, whereby external financing provides an important complement to domestic sources.

In terms of private financing, a report by international organizations at the request of the G-20[8] recommended tapping the **potential of institutional investors, capital markets and development banks to provide additional long-term financing.** Public policies to facilitate this reallocation include (i) reducing risks by improving the legal and fiscal environment and increasing so-called "finance readiness"; (ii) public leveraging of private resources; and (iii) more closely aligning private incentives with public goals, including improved environmental, labour and human rights standards. Investment opportunities are also enhanced by adherence to the rule of law, which assures private sector actors of transparency, predictability and accountability.

[8] http://www.g20.org/load/781245667

Migrant remittances reached USD 401 billion in 2012 – three times the size of ODA.[9] **Remittances represent one of the largest sources of foreign currency earnings in a number of recipient countries.** There are numerous proposals to bring down the cost of remittances, including the "5x5 objective" endorsed by the G8 and the G20 to reduce remittances costs by 5 percentage points (from 10 to 5 per cent) in 5 years, by 2014.

There are several proposals to facilitate **additional domestic public resource mobilization for development**. One proposal, as stated in the Rio+20 outcome and already being pursued in the context of the G20, is to phase out fossil fuel subsidies. Studies have shown that these subsidies only poorly target the poor, are hugely costly, and encourage fuel waste. Other proposals include addressing tax administration, including tax evasion and tax avoidance. Developing countries are also often less well-equipped to deal with transfer mispricing by multinational enterprises. For this reason, the UN Committee of Experts on International Cooperation in Tax Matters has developed a Practical Manual on Transfer Pricing for Developing Countries.

Developed and developing countries alike would benefit from **a permanent and effective sovereign debt workout mechanism** to resolve their debt problems[10].The IMF has decided to review its sovereign debt restructuring policies and practices following the IMF Board discussion on Sovereign Debt Restructuring.

Aside from calls for **fulfilment of existing ODA commitments**, and ODA reallocation towards the poorest and most vulnerable countries, which lag most behind in achieving the MDGs, there are **efforts to reduce the complexity of sustainable development finance.** The UNFCCC established the Green Climate Fund to manage a significant share of climate finance and reduce the fragmentation of the international climate finance architecture. Proposals of **innovative development finance mechanisms** include internationally coordinated taxes such as a carbon tax and financial and currency transaction taxes. Many have already been successfully implemented at the national level, showing that such measures are technically feasible and gaining political momentum. Non-tax measures such as the use of the IMF's special drawing rights for development finance have also been proposed.[11]

Rio+20 called for exploring options for **a facilitation mechanism that promotes the development, transfer and dissemination of clean and environmentally sound** technologies by, inter alia, assessing technology needs of developing countries, options to address them and capacity building. The High-Level Panel underlined the necessity of "promoting collaboration on and access to science, technology, innovation, and development data", explicitly proposing this under one of its 12 illustrative goals (Goal 12f). It also underlined that technology should be used to promote sustainable consumption and production patterns. The Secretary-General has produced two reports[12] outlining options for a technology facilitation mechanism for sustainable development.

The post-2015 global partnership for development should include measures designed to facilitate the development and transfer of technology for the benefit of all women and men, particularly the most vulnerable, such as access to information and communications technologies, essential medicines and other basic but potentially life-changing and life-saving technologies.

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[9] World Bank, 2013, *Migration and Development Brief No. 20*, Washington DC.
[10] UNCTAD is currently coordinating an international Working Group on Debt Workout Mechanism to examine options for a mechanism.
[11] United Nations, 2012, *World Economic and Social Survey*, New York
[12] The most recent report being: United Nations, 2013, *Options for facilitating the development, transfer and dissemination of clean and environmentally sound technologies*, Report of the Secretary-General

National administrative and technical capacities have long been identified as key drivers for sustainable development and lack of capacity as a major bottleneck for achieving the MDGs. A renewed global partnership must therefore focus on capacity building through national, regional and international efforts, in particular on:

- strengthening the capacity of countries to create the national public policy frameworks for human rights-based, equitable and sustainable development;
- promoting good governance and combating capital flight, both in developed and developing countries;
- aid for trade, which targets developing countries' ability to sustainably improve their productive capacity with investments in trade related areas coming from ODA;
- prioritizing capacity building in LDCs for production and access to medicines and other basic needs;
- developing human resources through, inter alia, training and strengthening professional development, including technical and vocational education and training, the exchange of experience and expertise, knowledge transfer, and through new and emerging technologies, including via ICTs;
- strengthening national monitoring and evaluation capacities through increased availability of technical data and information in decision support systems;
- South-South and triangular development cooperation, including in areas such as human resources development, exchanging skills, technical support and sharing good practices;
- investment in a robust, vibrant civil society sector that encourages participation, including volunteering, in service delivery, advocacy and accountability;
- a strengthened science-policy-society interface, including access to and building capacity to use knowledge products that could support decision-making to integrate the social, economic and environmental dimensions of development.

To reap the full benefits of trade, it is important to formulate **domestic trade policy as part of a coherent policy framework comprising appropriate environmental and social policies.** A universal, rules-based, open and equitable trading system (including the exchange of environmentally sound technologies) can act as an engine to generate economic opportunities, employment and increasing resource efficiency. The successful conclusion of the Doha Round of multilateral trade negotiations would help developing countries increase their share in international trade and help correct certain trade distortions, including agricultural subsidies, tariff peaks, and tariff escalation. Progress on the Doha Round could also result in fisheries subsidy reform and the reduction of trade barriers to environmental goods and services, both of which would yield important sustainability dividends.

Another area where **cooperation can be strengthened is migration and human mobility.** In order to function as a human development enabler and not create new inequalities and vulnerabilities, migration needs to be mainstreamed in development planning and requires partnerships and cooperation at all levels. Existing partnerships – such as the Global Forum on Migration and Development, Regional Consultative Processes on migration and bilateral accords such as the EU's mobility partnerships – could be enhanced and complemented.

Creating a national enabling environment is paramount to ensure effective means of implementation, including attracting financing, promoting trade and investment, developing capacity-building and fostering technology transfer. The respect for human rights and the rule of law, including representative, effective, and accountable institutions should be promoted at the national level to ensure the implementation of the future agenda.

4. Way Forward

An integrated global partnership with effective means of implementation and strong accountability mechanisms could best respond to global challenges such as poverty eradication, food insecurity and malnutrition, gender inequality and climate change, among others, in the context of the post-2015 development agenda. At the global level, **the UN could play a critical role in providing the global platform for reporting and review, including through a strengthened monitoring and accountability framework**. With its regular reviews starting in 2016, the High Level Political Forum (HLPF), under the auspices of the ECOSOC, could act as the central place to review progress on the follow-up and implementation of sustainable development commitments and objectives.

Such a renewed and strengthened global partnership will require **coherence and consistency across various UN intergovernmental processes**, including those relating to sustainable development, the post-2015 development agenda and financing for development. Coordination between the HLPF and other bodies in the monitoring of the post-2015 commitments, such as the biennial Development Cooperation Forum, as well as the Global Partnership for Effective Development Cooperation, could contribute to enhancing coherence, finding synergies and avoiding duplication.

Civil society, the private sector, the media and other relevant stakeholders should play a significant role in the delivery and the monitoring of the global partnership, including through effective participation in the HLPF. This is also echoed in report on the consultations on the post 2015 development agenda, *A million Voices: The World We Want*, which highlighted that “the consultations have revealed a huge appetite and demand for involvement not only in the design of the development agenda, but also in its future implementation".

At a sub-global level, it would be desirable that **periodic meetings of regional bodies** dedicate sessions to sustainable development implementation through mutual and voluntary accountability reviews, as was suggested by the High Level Panel report on the post-2015 development agenda. **Multi-stakeholder partnerships and accountability mechanisms could also be established for particular goals,** drawing from examples such as the Commission on Accountability for Women's and Children's Health, and its independent Expert Review Group.

Enhanced data availability, disaggregated by criteria such as age and sex, which requires investment in data collection and management systems and transparency, should also allow the media, civil society and citizens to monitor the progress at the national, regional and global level. The UN, through the annual reports of the Secretary-General, could continue to provide a global overview on sustainable development and the implementation of the post-2015 development agenda.

Next steps for ensuring effective means of implementation in the future framework include the deliberations of the Open Working Group on the Sustainable Development Goals, the Intergovernmental Committee of Experts on Sustainable Development Financing, as well as the Financing for Development follow-up process. Conceptually, there are several structural options – as elements of means of implementation and the global partnership could be defined as relevant to each separate goal, and/or as a broader, integrated and global commitment on a set of instruments to deliver the common agenda.

Finally, a follow-up Financing for Development Conference would meaningfully inform the post-2015 development agenda process. The Secretary-General’s High-level Panel has recommended that “an international conference should take up in more detail the question of finance for sustainable development”. It also suggested that “that this conference should discuss how to integrate development, sustainable development and environmental financing streams. A single agenda should have a coherent overall financing structure.”