

Distr.: General
16 July 2015

English only



Third International Conference on Financing for Development

Addis Ababa, 13-16 July 2015

Agenda item 9

Multi-stakeholder round tables

Round table 6: Ensuring policy coherence and an enabling environment at all levels for sustainable development

Summary of discussion

Round table 3 was co-chaired by the Deputy Minister for Foreign Affairs of Poland, Konrad Pawlik, and by the Minister of Finance and Economic Planning of Rwanda, Claver Gatete. The Under-Secretary-General for Economic and Social Affairs of the Secretariat and the Secretary-General of the Conference, Wu Hongbo, moderated the panel.

Presentations were made by the following panellists: the Mayor of Victoria (Seychelles) and Co-President of United Cities and Local Governments, Jacqueline Moustache-Belle; the Executive Director of the United Nations Human Settlements Programme (UN-Habitat), Joan Clos; and the Executive Director of the United Nations Office for Project Services, Grete Faremo.

The Managing Director of the Society for International Development, Stefano Prato, and the Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Gyan Chandra Acharya, were discussants.

Mr. Pawlik and Mr. Gatete introduced the topic. They noted that means of implementation of all types and an enabling policy environment, including good governance and rule of law, human rights and gender equality, would be needed to achieve sustainable development. In particular, they emphasized that policies must not be contradictory to sustainable development. In this context, the round table would focus on ensuring policy coherence for sustainable development.

Mr. Wu noted that the Addis Ababa Action Agenda provided a framework for financing sustainable development that would allow for an end to poverty and the achievement of sustainable development. He congratulated Member States on the ambitious agreement they had reached and noted that it was now time to move towards implementation. In this context, he highlighted that policy coherence was crucial on many different levels. Earlier discussions had focused on policy coherence across policies and the three dimensions of sustainable development, while today's round table would emphasize "vertical" policy coherence between



local, national and global institutions, policies and priorities. He also encouraged speakers to consider in their interventions how the Addis Ababa Action Agenda could remain alive and to share their views on how to ensure a strong follow-up process that was beneficial to all stakeholders.

Ms. Moustache-Belle highlighted that Addis Ababa presented a historic opportunity to lay the foundation for implementation of the post-2015 development agenda. Since prosperous, inclusive and environmentally sustainable communities were built in cities and territories, she stressed the need to strengthen the capacities and finances of subnational governments. She welcomed the emphasis on such capacity-building in the Addis Ababa Action Agenda. One priority area she singled out were investments in infrastructure, including in smarter transportation systems, and appropriate funding mechanisms to this effect. Official development assistance would remain crucial, in particular in least developed countries, and could contribute to leveraging domestic resources. She also called for strong regulatory frameworks to ensure that blended finance would benefit local communities. This included safeguards to ensure the accessibility, affordability and quality of services and infrastructure. In closing, she highlighted that local and regional governments were willing to work with all partners to unlock the potential of cities and territories and called for true partnerships based on mutual recognition.

Mr. Clos agreed that the coordination of actions at the local, national and global levels was critical. Strong partnerships between local and central governments were needed. Local governments often were not provided with sufficient resources to deliver public services. He called for their empowerment, for enhanced financial support and for capacity-building to enable them to mobilize resources where central Governments lacked financial resources to support them. He highlighted both the challenge of urban poverty and the potential of urbanization as a driver of growth. It was thus pivotal to invest in urban infrastructure. Looking forward, Mr. Clos stressed that future discussions on financing for development should acknowledge local authorities as a political actor so that the efforts and contributions of local governments to sustainable development would be appropriately reflected and supported.

Ms. Faremo noted that coherence was the outcome of actions of practitioners, including in the delivery of services in procurement, project management and infrastructure. Projects funded by official development assistance in particular should deliver excellence and play an exemplary role. The standardization of project design, management and execution would greatly contribute to building the infrastructure needed for the pursuit of sustainable development. She also called for official development assistance to be used strategically, catalysing larger amounts of private sector funding, including through first risk guarantees and capacity-building for Governments. She further noted that the United Nations system had an important role to play in implementing the sustainable development goals, as a convenor, an executor and a beacon of common values. As an honest broker, the United Nations could build alliances for the attainment of development outcomes and turn ideas into actions and outcomes.

Mr. Prato noted policy coherence would have to be achieved with human rights and with people-centred and planet-sensitive development. Often, policy coherence discussions were focused on economic growth, without recognizing increasing inequality. He further noted that developing countries were experiencing

a gradual loss of sovereignty due to international agreements that limited policy space. A more democratic global governance system could compensate for this trend by allowing developing countries to participate in global norm setting. However, he regretted that the Addis Ababa Action Agenda missed the opportunity to upgrade the United Nations Committee of Experts on International Cooperation in Tax Matters and to advance institutional arrangements on debt restructuring. An international trade regime that further ossified existing power imbalances, the privatization of public services and the promotion of infrastructure development for export-led growth at the expense of the poor were further examples of a lack of coherence with our common values and aspirations.

Mr. Acharya stressed that the move from the Millennium Development Goals towards the sustainable development goals would require a paradigm shift and significant capacity-building for countries to prepare their implementation strategies. The level of resources available would need to be coherent with the ambition of the sustainable development goals. In the light of the low level of economic activity and the high level of poverty in the most vulnerable countries, current levels of resources and capacities were insufficient. For this reason, he called on the international community to generously support these countries, including through official development assistance and other concessional financing. Investment and trade policies and debt sustainability would have to be reassessed to this end. He stressed that least developed countries, land-locked developing countries and small island developing States must be treated as equal partners, and that their voice and representation should be strengthened in global institutions. Their respective programmes of action should be fully taken on board in implementing the sustainable development goals to ensure that their special development challenges were fully recognized. Equity must not only be at the heart of the debate but must also be the guiding principle of our efforts.

After the panel presentations, a policy discussion was held among participants, including representatives of Governments and institutional and non-institutional stakeholders.

The following points were made during the discussion:

- Many participants underlined the importance of policy coherence for sustainable development at all levels, including at local, regional, national and global levels.
- To enhance policy coherence at the local and national levels, participants called for strengthened institutions and enhanced coordination between different branches and levels of government. Several speakers emphasized that all policies would need to be coherent to support sustainable development. Participants underlined that national policies, including coherent macroeconomic and exchange rate policies, were key.
- Many also noted that additional resources would need to be provided to achieve such coherence and to effectively implement the post-2015 development agenda. Increased responsibilities, in particular for local governments, would require increased resources. In this context, the role and potential contribution of international cooperation, including capacity development efforts, was underlined.

- Several speakers noted that current rules and arrangements at the global level were unfavourable to developing countries and impeded their efforts at structural transformation. In this context, they called for reforms in the international trading system, for increased efforts to combat illicit financial flows, for enhanced international cooperation in tax matters and for progress on sovereign debt issues.
- Several speakers expressed their disappointment that the Conference did not agree to upgrade the United Nations Committee of Experts on International Cooperation in Tax Matters to an intergovernmental committee. More broadly, there were calls to enhance the voice and participation of developing countries in global decision-making bodies.
- In the light of heightened debt vulnerabilities in a significant number of countries, several participants cautioned against the use of public-private partnerships and leveraging instruments that could create contingent liabilities for the public sector.
- Some participants also expressed disappointment that the Addis Ababa Conference did not advance discussions on a sovereign debt workout mechanism. On the other hand, participants welcomed the commitment in the Action Agenda to work towards a global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns.
- In this context, participants looked forward to the follow-up process to the Third International Conference on Financing for Development. The Financing for Development Forum would provide a space to further strengthen the key elements of the Financing for Development agenda. The Forum would also provide opportunities to hold countries accountable and to ensure the mainstreaming of policies and actions agreed to in the Action Agenda.
- Several speakers stressed the critical role of the private sector in sustainable development. There were calls to further engage business as a partner in implementing the post-2015 development agenda and to embrace those companies that respond to environmental, social and governance considerations in their core business models. Representatives from several sectors, including aviation and the extractive industries, underlined that they would align their activities with sustainable development to contribute to the achievement of the sustainable development goals.
- A number of participants highlighted the particular challenges facing countries in special situations and underlined the need for the international community to strengthen support. This included aiding countries in achieving policy coherence.