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## Third International Conference on Financing for Development

Addis Ababa, 13-16 July 2015

Agenda item 9

**Multi-stakeholder round tables**

### **Round table 3: Global partnerships and the three dimensions of sustainable development**

#### **Summary of discussion**

Round table 3 was co-chaired by the Secretary of State for International Development of the United Kingdom of Great Britain and Northern Ireland, Justine Greening, and the Minister of State for Finance of Bangladesh, Muhammad Abdul Mannan. The Administrator of the United Nations Development Programme, Helen Clark, moderated the panel. Presentations were made by the following panellists: the Deputy Prime Minister and Minister of Finance and Economic Planning of Tuvalu, Maatia Toafa; the Minister for Foreign Affairs of Norway, Borge Brende; the Chair of the Board of Directors of the Global Partnership for Education, Julia Gillard; and the Executive Director of the Green Climate Fund, Hela Cheikhrouhou. The Director of The Earth Institute at Columbia University, Jeffrey Sachs, and the Vice-President of the European Investment Bank, Ambroise Fayolle, were discussants.

Ms. Greening and Mr. Mannan introduced the topic. Ms Greening called on the international community to step up efforts in line with the commitment made by the United Kingdom of Great Britain and Northern Island to contribute 0.7 per cent of its gross national income to official development assistance, now enshrined in national law, with a view to supporting implementation of the global partnership for development. Mr. Mannan reminded participants of the unprecedented demands and requirements for additional development finance.

Ms. Clark emphasized the importance of making an enhanced, revitalized global partnership for development, led by governments and supported by all other actors. She encouraged participants to build on the lessons learned from the global partnerships that took shape around the Millennium Development Goals in analysing the type of partnerships that would be needed to support the implementation of the Addis Ababa Action Agenda.

Mr. Toafa emphasized how a global partnership for sustainable development should support small island developing States in attracting assistance that complemented domestic resource mobilization efforts and ensure delivery on existing promises. Mr. Toafa also emphasized the need to develop more innovative



solutions for financing sustainable development in least developed countries and small island developing States, highlighting the 2014 SIDS Accelerated Modalities of Action Pathway, and to strengthen capacity to access and utilize different sources of financing, including for climate change. Mr. Toafa also encouraged countries to harmonize aid effectiveness, for example through South-South information-sharing. He indicated that the countries had valuable lessons to share for the follow-up and review of the post-2015 development agenda and the sustainable development goals. Mr. Toafa urged all partners to use existing regional and national platforms and peer review mechanisms to reduce reporting burden and strengthen national leadership and ownership, effective institutions and capacities and mutually respectful partnerships to deliver development results.

Reaffirming the commitment of Norway to contributing 1 per cent of its gross national income to official development assistance for 2015, Mr. Brende made a strong plea to Governments and the private sector to take responsibility to eradicate poverty by 2030. Mr. Brende underscored the important role of official development assistance as an investment in global security for all and as a catalytic resource, for example to assist developing countries in expanding their tax base. This should be supported by initiatives such as “tax for development” that ensure private companies pay taxes where revenue is generated. Mr. Brende also stressed the urgency to establish more innovative global partnerships together with the private sector in order to mobilize additional resources, building on existing good examples in the health sector in particular. Highlighting the role of the private sector in creating jobs, Mr. Brende also challenged participants to reflect on how official development assistance can be used to incentivize investments to create the additional jobs needed by 2030.

Ms. Gillard stressed that 2015 was a pivotal year for making progress on global education, similar to the momentum created around health priorities following the agreement of the Millennium Development Goals. Ms. Gillard called upon the international community to commit to a common vision for quality education for every child. She underscored that, despite good progress made in education since 2000, additional investments and other forms of international cooperation for education would be needed to achieve a range of education-related sustainable development goals. Ms. Gillard stressed that the Global Partnership for Education could channel, encourage and leverage such support for education from all sources and promote much-needed coordination, transparency and accountability towards the realization of country-led education planning and implementation as a means to achieving all the sustainable development goals.

Ms. Cheikhrouhou called for decisive action in the area of climate change to protect hard-won gains in sustainable development, and introduced the work of the Green Climate Fund. She explained that the Fund contributes to a majority of the sustainable development goals and spearheads the paradigm shift towards climate resilient development in developing countries. She emphasized that many pledges to replenish the Fund had already been signed into binding contribution agreements, enabling the Fund to deploy targeted concessional funding and other financing instruments through partnerships with Governments and other partners at all levels. She also noted that requests for support from the Fund were growing, which led to efforts to provide more direct access to funding and to use \$500 million to mobilize additional funding from the private sector. Estimating that \$200 billion per annum

were needed to build resilience, Ms. Cheikhrouhou invited new contributors of concessional financing to support the Fund.

Mr. Sachs noted that in order to achieve the ambitious sustainable development goals in their entirety, there must be a mind-set shift at all levels. Building on the experience with the Millennium Development Goals, Mr. Sachs recalled the power of setting goals and the importance of establishing global funds. Even though the sustainable development goals were more complex and challenges were unprecedented, Mr. Sachs cited new opportunities to tap resources and reiterated that there was no room for cynicism as the lives of our children depended on the success of the sustainable development goals.

Mr. Fayolle stressed the need to use partnerships and institutional arrangements to help close the gap in sustainable development infrastructure, including through the smart use of official development assistance and blended finance that provides risk mitigation, technical assistance and, in some areas, concessional finance. Mr. Fayolle also supported the use of dedicated platforms and instruments for institutional investors to provide additional resources for partnerships that now take a new meaning in the context of the post-2015 development agenda.

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:

- A number of speakers highlighted that new commitments were being made at the Third International Conference on Financing for Development. They considered the event as a crucial starting point for post-2015 implementation.
- Many participants from Governments, civil society, the business sector and international organizations stressed that implementation of the sustainable development goals would require much deeper policy and behavioural changes than those implemented during the Millennium Development Goal era. To finance such ambitious efforts, official development assistance must be a strategic, catalytic tool to be used in conjunction with other instruments, mainly to support domestic resources mobilization. Civil society also called on donors to provide official development assistance without any conditionality and to target it better towards gender equality and the empowerment of women. One government called for increased coherence among humanitarian and development aid.
- Participants also indicated their full support to investing in the renewed global partnership for sustainable development as a key driver to realizing the new, universal development agenda. The global partnership, taking into consideration both the global nature of the post-2015 development agenda and specific national contexts, was said to be vital to nurturing the enabling environment necessary to fully engage all relevant actors. It was also stressed that it was important to appropriately share responsibility, capacity and accountability in support of the post-2015 development agenda and the full integration of all three dimensions of sustainable development in a balanced and integrated way.

- Others underscored that the current global partnership for development was unable to support the achievement of the sustainable development goals. One participant questioned whether a revitalized global partnership for sustainable development would be enough, or whether a complete change of paradigm was needed, given the magnitude of ongoing global economic challenges. Participants also called for an open and predictable multilateral trading system, with the World Trade Organization at its centre.
- One Government urged all to use the renewed global partnership for development to shift towards a zero-waste economy that truly addressed poverty eradication and sustainability in all its dimensions. The speaker said that this required political will, determination and international cooperation in different areas, for example by phasing out costly fossil fuel subsidies. Such efforts would also raise financing, which could be used for sustainable development of the magnitude of three to five times global official development assistance levels. In this regard, some participants also noted that ample financial resources to realize the sustainable development goals were available in principle, but new ways to tap into them must be identified and realized.
- Many speakers from the floor concurred with the panellists that partnerships at all levels were needed to realize the sustainable future we want, and to ensure that no one was left behind. There was broad consensus that partnerships were vital vehicles to mobilizing essential resources and bringing actors together, ensuring ownership and integrating all three dimensions of sustainable development. Philanthropic resources, partially provided through global partnerships, were also highlighted as critical contributions to help achieve the sustainable development goals.
- To build trust among partners in multi-actor initiatives, participants mentioned that the initiatives must be targeted and adapted to the needs of countries and their people, engaging all relevant actors and building on existing institutions, and effectively monitored for impacts based on high-quality performance assessments. In this regard, many speakers also called on partners to deliver on existing promises to finance development and other global challenges requiring collective action, reiterating the importance of transparency, accountability and development results.
- The World Bank noted that it had launched the global financing facility for the Every Woman, Every Child initiative to support the financing for development agenda. The Bank also noted that it had launched a pandemic preparedness response and finance facility to ensure that it could respond to global pandemics.
- Good examples of innovative global and regional partnerships in different sectors, from oceans to migration, high-quality education and the empowerment of women, were highlighted by discussants as important complementary efforts, echoing some of the panellists' interventions. Others also underscored the importance of investing further in capacity to nurture innovations, including on efforts to monitor the impact of partnerships.
- It was underscored by small island developing States and least developed countries that partnerships would be particularly helpful in the post-2015 era

for countries facing specific vulnerabilities to build resilience through training, capacity-building and risk mitigation initiatives.

- Some speakers also quoted important lessons from partnerships that showed how financing could be used to leverage non-financial support, such as innovative ways of using information and communication technology, or to help overcome silo mentalities in implementation at all levels.
- A series of other, mutually reinforcing efforts to mobilize resources and their impact were mentioned, including the need to strengthen tax systems, avoid illicit financial flows and promote good governance, rule of law and effective institutions.
- Governments and civil society also emphasized the complementary role of South-South Cooperation, the importance of effectiveness of international development cooperation and of local authorities and the decentralization of development initiatives as key determinants of effective international development cooperation.
- The private sector was considered by many to have a vital role in promoting innovation and implementation. Different participants stated that investments would, however, be needed on a long-term basis and this required adequate incentives for firms to engage. Business sector representatives welcomed the sectoral focus of the sustainable development goals, but raised concerns about the lack of a stable and enabling environment in which private firms could thrive. They also indicated the great potential of blended finance for the realization of the sustainable development goals.

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