Eurostep Contribution to the European Commission Public Consultation "Towards a post 2015 development framework"

Link to Consultation: http://ec.europa.eu/europeaid/how/public-consultations/towards post-2015-development-framework en.htm

Eurostep is a network of autonomous European non-governmental development organisations working towards peace, justice and equality in a world free of poverty. Its membership, rooted in their own societies, works together to influence Europe's role in the world, particularly in pursuing the eradication of injustice and poverty. Eurostep advocates changes in Europe's policies and practice based on the perspectives drawn from direct experiences of an active involvement of its members and their partners in development in over 100 countries across the world.

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

As already indicated Eurostep is a network of autonomous European non-governmental organizations working towards peace, justice and equality in a world free of poverty. Eurostep is composed of a secretariat based in Brussels and has a membership comprising EU development NGOs actively involved with partner organization in developing countries.

• The secretariat of Eurostep focuses its activities on influencing the EU's role in the world and in particular its co-operation with developing countries. In this sense, the adoption of the MDGs by the UN member states and what this involves (reshaping of the concept of development towards poverty eradication¹), constituted an important reference. The consequent EU engagement towards their achievement is clearly defined in its commitment to poverty eradication enshrined in the Lisbon Treaty, and in several policy documents. The Lisbon Treaty defines poverty eradication as the overarching goal of EU development cooperation and that "the Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries" (article 208). This article highlights the importance of policy coherence for development (PCD) and obliges the EU to assess the possible impact of its policies (internal and external) on development cooperation with developing countries. However, while the rhetoric is there, effective application of PCD in EU policies is still to be seen.

Furthermore, as previously specified, Eurostep is also striving for improved justice and equality in a world free of poverty. Therefore, while the poverty dimension is highlighted in the MDG framework, the justice and equality dimensions are largely missing. Eurostep believes that without taking into account justice (fair distribution of costs and benefits within and between nations) and equality (tackling poverty and power imbalances) sustainable development will not be achieved.

The MDG framework also has its limitations, because **their focus is only on achieving targets in developing countries**. The 1995 UN Social Summit, in which there was first recognition that poverty could be eradicated, sought to establish global goals relating to poverty. The subsequent adoption of the MDGs limited the scope of the international goals, and emphasised the focus on the consequences of poverty without sufficiently addressing its root causes. Therefore the MDGs are insufficient and incomplete tools for pursuing poverty eradication, let alone realising sustainable development.

By putting emphasis on social development the MDGs do have improved approaches to development in comparison to development policies that were implemented in the previous decades. However, as underlined by Sakiko Fukuda-Parr, they "did not propel new thinking about challenging the macroeconomic policy approaches of the Washington Consensus framework and their implications for poverty reduction have not emerged into mainstream international policy debates. In other words, the core Washington Consensus policies aimed at macroeconomic stabilization and liberalization have continued to dominate development strategies, only supplemented by emphasis on social investments²."

¹ Sakiko Fukkuda Parr (July 2012), Should global goal setting continue, and how, in the post-2015 era?, DESA working paper No 117, p.3 http://www.un.org/esa/desa/papers/2012/wp117 2012.pdf

² Op. cit, p.8

The MDGs largely focus on the ends rather than the means to achieve poverty reduction, and consequently further liberalisation and privatisation of the economy as well as macroeconomic stabilisation are still being promoted by the international financial institutions and the donor community as the best means to achieve growth and, in this logic, development ("trickle down" effect). Neo liberal strategies still form the predominant economic paradigm. Yet, developing countries which have decided to follow alternative models, strategies and policies have proven that different approaches have been successful³. In some Latin American countries, those approaches led to new constitutional orders embracing a post-development paradigm such as "Living Well". The different crises have showed the limits of the prevailing model of economic development and have contributed to current unsustainable practices.

• The Eurostep members work on specific issues - including food security, energy and reproductive health and rights. They principally advocate approaches with respect to these issues, both in collaboration with partners in developing countries, as well as in the policy frameworks of their national governments and in development policy approaches generally. Their work draws on the activities of their partner organisations involved in developing countries and also on the information about EU policies they receive from the Eurostep secretariat.

In relation to the three issues above mentioned, positive but also negative aspects brought about by the MDGs can be highlighted. The MDGs have been a strong tool for directing donors' and developing countries' attention towards some of the social aspects of development. These actors have focused their policies, strategies, programmes and financing on the achievement of the MDGs. However, the MDGs have limitations. For MDG1 on hunger for example, the inadequacy of certain indicators to truly reflect progress in food security and nutrition have been stressed by many. Moreover, the root causes of food insecurity are not addressed in MDG1. These root causes, include, for instance, speculation in the food commodity markets and the consequences of biofuel cultivation on food prices fluctuation, a flawed "free trade" in food commodities markets and its consequences on local food production in developing countries, and the issue of access to technology and that of discrimination against women in developing countries.

Regarding reproductive health, the MDG framework focuses on maternal health (MDG5A) and universal access to reproductive health (MDG5B). The MDG5 indicators however don't address relevant issues like unsafe abortion (13% of all maternal deaths are due to unsafe abortion⁴) nor does it focus on reproductive rights therefore not taking into account the needs of vulnerable groups. The fulfilment of reproductive rights is crucial for social, economic and sustainable development.

There was no specific goal on energy access in the MDG framework while this is a fundamental issue for sustainable development.

The MDG framework is an important tool to focus the attention of the international community on some of the social aspects of development, and therefore constitute an improvement as compared to the "structural adjustments period". However, they have failed to bring about new thinking and reflection on the means to achieve poverty reduction and in the long term eradication. Moreover, the justice and equality dimensions within and between nations essential to tackle poverty are not taken into account in the MDG framework. The framework itself, while addressing some crucial aspects of poverty has failed to comprehensively address all of them.

³ "[...] a good part of the developing world came out of the recent crises quicker because they did not apply the traditional policies. They protected minimum wages, they increased minimum wages, they expanded social protection, they had public banks, they did not fall into the idea that they had to privatize every public bank. They have public banks, regional banks and banks within the countries themselves and its regions. And they opened up the flow of resources in order for investments to take place and not wait to see whether the banks wanted to risk or not risk lending to small enterprises." Juan Somavia, Director General of the International Labour Organisation, July 2012, panel discussion as part of the Development Cooperation Forum, ECOSOC, New York. http://www.socialwatch.org/node/15210#Somavia

⁴ Sedgh G et al., Induced abortion: incidence and trends worldwide from 1995 to 2008, Lancet, 2012

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

As already specified the emphasis on human development has contributed to concentrating the donor community's and developing countries' attention on poverty and its consequences (but not sufficiently on its structural causes).

With the MDGs, poverty reduction is measured in quantitative terms - the World Bank's indicator for extreme poverty is used as a reference – and progress towards poverty reduction is assessed on a global scale, hiding wide disparities between and within nations. This poses two problems. Firstly, relative poverty is not taken into account; the definition of poverty is therefore very restrictive and simplistic. Poverty is context specific and should be defined and accounted this way. This follows the same logic as the definition of poverty as defined in the EU Joint report on social exclusion, i.e. "people are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live"⁵. Secondly, while MDG1's target on halving poverty is one of the few that are on track to be met most of the progress has been registered in emerging economies, particularly in China, reflecting therefore wide disparities between countries.

Furthermore, as also indicated in the report of the UN System Task Team on the Post 2015 UN Development Agenda: "[...] trends have been uneven within and across countries and regions. The poorest and those most discriminated against on the basis of gender, age, disability, ethnicity or otherwise have often been the most disadvantaged⁶." Gains in poverty reduction have been made for the population that was easiest to reach. Structural problems at national and international levels have not been addressed, leaving many people in poverty. Applying a rights based approach to development would have help avoid this problem.

One criticism of the MDGs is that targets are set in a way that for some developing countries it is impossible to achieve them. Therefore, Fukkuda Parr and others have looked at the improvement of the pace of progress. Their findings "were disappointing at country level, but more encouraging for sub Saharan Africa and Asia. [...] At the global level, the pace of progress improved for under-5 mortality rate, measles immunization and gender parity in primary schooling, but not for attended births or safe drinking water. For income poverty, the pace improved in all developing regions. South Asia and sub-Saharan Africa—the two regions with the highest concentrations of poverty— showed consistent improvement and performed better than the other regions⁷." He also notes that "it is difficult to assess whether the MDGs have had an impact on the pace of poverty reduction and development outcomes, since it is impossible to attribute any recent trends to the MDGs as opposed to the myriad of other factors that have driven national poverty outcomes. But the problem remains that while poverty reduction has continued globally, progress has been too slow and unevenly distributed⁸."

Finally, the financial, economic and debt crises are still greatly affecting developed countries and consequently have serious implications for developing countries' economies and development gains. Without a change of course towards economic and financial sustainability as well as towards sustainable patterns of consumption and production, improvements brought about by the MDGs will easily be offset in some countries.

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

As already specified, the MDGs have focused the international community's attention on human development which constitutes an improvement as compared to the previous decades. But as also previously seen they did not bring about, at the global scale, the necessary debate and any new thinking on

⁵ Council of the European Union (2004), Joint Report by the Commission and the Council on Social Inclusion, Brussels in Civil Society Reflection Group's report (June 2012), *No Future without Justice*, development dialogue No.59, http://www.reflectiongroup.org/stuff/no-future-without-iustice.

⁶ UN System Task Team on the Post 2015 UN Development Agenda (June 2012), Realizing the Future We Want, Report to the Un Secretary General, p.5 http://www.eurostep.org/wcm/dmdocuments/Realizing the future we want final 28 June 2012 red.pdf

⁷ Op. cit, p.11.

⁸ Op cit, p.9.

the means to achieve development, but instead crystallised the idea of neo liberal strategies as the way to go.

Because of their number (only 8 goals) and their nature (easy to understand and time bound goals), and despite the strong criticisms when first introduced, the MDGs have finally succeeded in bringing together different development actors behind the same objectives. Unfortunately this same simplicity is also one of their weaknesses. This will be developed further in the next question.

Also, as explained in the UN System task team's report, evaluating progress towards the achievement of the goals against clear targets has pushed developing countries and the donor community to improve data collection and strengthen statistical systems in developing countries.

An increase of funding in social sectors has also been observed since the introduction of the MDGs but this trend started before 2000 and has slowed since 2006. Furthermore, ODA flows are still far below the UN target of 0.7% of GNI set in 1970⁹.

4. What features and elements of the MDG framework have been problematic, in your view?

We already mentioned a few problematic elements of the MDGs. The goals focus on the outcomes rather than the means to achieve poverty reduction (and in this sense it can be argued that there is no real commitment to poverty eradication per se); there is no fundamental questioning of the neo liberal strategies implemented by the donor community and the IFIs, which have clear limitations and in no small part have promoted unsustainable practices which have increasingly become part of the problem; the root causes of poverty and inequality are not addressed and a human rights based approach to development is largely absent from the framework. There are also significant omissions in the approach in targeting poverty, with an absence of goals on key aspects, such as on reproductive rights, social protection, etc. Some of the MDGs indicators are too simplistic and/or cannot properly reflect progress at national and local level (i.e. goals on food security, poverty reduction, gender equality etc); the framework focuses on developing countries and the role of advanced economies is inadequately reflected, particularly as the principal MDG relating to the role of advanced economies (goal 8) is largely unquantified – except in terms of financial resources. Key aspects are not reflected adequately in the MDG framework, such as improving justice, equality, sustainability, peace and security, and global governance which are centrally important for enabling sustainable development to be achieved, but requires clear commitments on the part of advanced economies. Regarding the last point, without radical changes in developed countries' policies towards sustainable patterns of consumption and production, policy coherence for sustainable development (with the example of biofuel cultivation and its consequences on human rights), fair as well as environmentally and human rights friendly trade policies, access to technology, reform of the intellectual property rights regime and debt cancellation for poor countries, a new development framework will never gear us towards a sustainable future.

Based on the working paper by Sakiko Fukuda Parr and the critical article by Samir Amin it is important to underline that while goal 8 was supposed to address some of the structural flaws of the international trade and finance system, it is said to be too narrow in scope - "it is a poor reflection of the agendas advocated by developing countries, notably those related to the asymmetric rules of global trade, international investment and finance, the reduced policy space and quality aid "o" - and it is also biased towards liberal theories as its premise is that development will occur by encouraging further "an open [...] trading and financial system". While already lacking ambition, the MDG Gap Task Force 2011's report, "The Global Partnership for Development: Time to Deliver", shows the gap in implementation of goal 8 as regard to aid, trade, debt and technology 11.

Another criticism of the MDGs that should be highlighted is one that concerns the process for developing the goals. There was a lack of broad consultation. Civil society organisations and developing countries governments were insufficiently consulted, and the MDGs reflect only a small part of what had been

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⁹ Op cit, p. 5

¹⁰ Op. Cit, p. 12.

¹¹ MDG Gap Task Force (2011), *The Global Partnership for Development : Time to Deliver*, http://www.un.org/millenniumgoals/2011 Gap Report/11-38394%20(E)%20MDG%20Gap%20Report%202011 WEB%20NEW.pdf

discussed and agreed at conferences and summits in the 90s, as well as in the Millennium Declaration. This resulted in goals that have led to an "aid-centric process". Developed countries have not had to face up to their responsibilities with regard to unsustainable consumption and production patterns and the reform of unfair trade and financial regime.

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

Several gaps can be identified in the MDG framework:

- As already mentioned the scope of the MDGs is limited. The goals are only concerned with development and poverty reduction in developing countries. The concept of development must be rethought in a new development framework so as to encompass the entire international community (developed and developing countries as well as private actors and civil society organisations) and not be principally defined by a donor recipient logic.
- Sustainability is poorly addressed because sustainable development has been equated with environmental sustainability and strategies to improve this particular dimension of sustainable development are too vague and lack ambition. Because of the urgency of the situation the future development framework must reflect the three dimensions of sustainable development and help provide concrete goals in all aspects. This must include goals for achieving sustainable patterns of consumption and production as well as for reduced CO2 emissions in order for development to stay within the planetary boundaries. This issue also poses the question of the coherence of the UN post 2015 framework process and that of the SDGs. If the SDGs focus on environmental concerns mainly they should be integrated into the broader post 2015 framework. If the SDGs want to truly reflect the three dimensions of sustainable development, UN member states representatives involved in the formulation of the SDGs should closely liaise with the UN agencies involved in the consultations for the post 2015 agenda and also with the High level panel. Additionally, they should consult separately with civil society organisations and relevant stakeholders in order to follow a truly inclusive process without which it will be impossible to devise ambitious and effective goals and build true ownership, essential for any success in implementation of the goals at country level. It is also important to stress that the thematic areas and the more detailed goals proposed by the EU in the context of the Rio+20 negotiations on the green economy roadmap lacked considerations for human rights, overconsumption in developed countries or for the structural causes of inequalities and inequities. The way these goals were designed implied that their implementation was relevant mostly for developing countries, this cannot be the case in any new post 2015 development framework. For all these reasons, we call on the EU to review its approach to sustainable development goals.
- The MDG framework did not address <u>population dynamics</u>. MDG5 failed to address reproductive rights, and in the framework there is no mention of tackling overconsumption in developed countries, and to some extent in emerging economies (see our response 6), in order to allow present and future generations to enjoy their basic rights. This is an urgent question and further countries will soon be faced with the consequences of inaction if nothing is undertaken in developed and developing countries to counter this trend. Many people in vulnerable countries are already experiencing, among others, the effects of climate change, loss of biodiversity or land use change offsetting already difficult development gains. As specified in the UN System Task Team's report, there is also a need to take account of the current and future trends in population dynamics. This includes, for example, aging population in developed countries, concentration of population in urban areas or migration.
- The new development framework must tackle <u>inequalities</u> and <u>inequities</u> as well as <u>power imbalances</u> contrarily to the MDGs. Equality has been recognized by the UN System Task team as one of the three fundamental principles for a post 2015 framework. While we agree with the Team's approach, we also think that something is lacking from their analysis. Indeed, in the paragraph on equality the report only deals with poor, marginalized and discriminated people without referring to the top of the social ladder. Without tackling power imbalances by focusing on wealth and power concentration, one can doubt that the current problems will fundamentally be resolved. As later explained in our response to question 6 transnational corporations and international banks have the leverage to influence decision making at the

national and international level. This contradicts the very idea of democracy and erodes the role of governments and, by extension, that of the state as these are supposed to be the guardians of long term and general interest of their people over short term and vested interests of individuals. This fundamental issue needs to be addressed in order to tackle the root causes of inequalities and unsustainability.

- A human rights based approach to development was essentially missing from the MDG framework. A number of social, economic, cultural and political rights have been globally endorsed since the creation of the United Nations. These rights must be at the centre of the new development agenda. The new goals should set targets on when these rights should be achieved. Through human rights based approaches governments and business must respect and protect human rights. The need for greater access to remedy for victims of human rights violation is also an essential element of the approach. Human rights based approaches also helped national governments and the international community concentrate on why certain human rights are not fulfilled and therefore provide solutions to it.
- A comprehensive approach towards development was absent from the analysis. The set of MDGs was only based on a part of the Millennium Declaration, leaving out many issues, yet crucial for sustainable development. Several issues such as peace and security, improved governance at global and national level, establishing social protection floors, fulfilling reproductive rights, creating decent jobs or reforming the financial and trading systems are issues that are central to sustainable development.
- There were no provisions for <u>reforming the global governance framework</u> so as to ensure strong accountability of the different actors involved in the realisation of the goals, as well as compliance with policy coherence for sustainable development and respect for human rights. The governance issue is further developed in our responses to question 6 and 7.

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, etc.?

Before going into the details of how a future framework could have an impact at the global level in terms of global governance etc it is crucial to evaluate the current trends, challenges and evolutions that will influence the future framework.

For a few decades, intensification of trade and financial liberalisation as well as further privatisation of the economy have actively been promoted. Since the end of the Cold War globalisation has rapidly become a reality. Growth has become the main (and sometimes almost only) objective of governments. These developments have brought benefits to many, particularly in the so called advanced economies but have also resulted in growing inequalities both within and between countries. As can be increasingly seen this model of development has serious implications for people and the planet. With economic growth at the centre of this model, the wealthiest nations have drawn disproportionately on the finite natural resources of our planet. The resulting increased levels of CO2 emissions in the atmosphere have prompted rapid climate change that threatens the lives and livelihood of many, and potentially the eco-system on which we depend. The current liberalisation policies have ultimately generated instability and have contributed to the crises which impact on all. The multiple crises (financial, debt, food, environmental and social crises) showed the limits of the prevailing economic model and the need to adapt global governance accordingly.

For too long global governance has been dominated by the economic pillar of sustainable development and "economic policies have on many occasions contradicted the commitments made to rights and sustainability"¹². This also needs to be addressed in the new development framework.

The global governance mechanisms are too weak to truly hold the different actors (governments, private sector and others) accountable to the public. Many valuable principles, standards and rights have been agreed under the auspices of the UN but too often these have remained on paper without concrete application. Strong monitoring, accountability and redress mechanisms must be established to guarantee the respect and/or implementation of the UN agreed principles and rights.

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¹² Civil Society Reflection Group (2012), op. cit, p.9.

Another trend needs to be highlighted; the multitude and emergence of economic and political actors on the world scene, including the so called BRICS countries, the private sector and civil society organisations. Regarding the emergence of the BRICS, this has fundamentally altered the nature of international negotiations; the developed countries can no longer dictate their own rules without objections from developing countries. While this trend has improved the balance of power in international relations, giving more influence to a certain number of developing countries and therefore allowing them to put forward some crucial issues of interest to their group (in the context of the Group of 77 and China), it is also now more complicated to reach consensus in international negotiations.

Regarding transnational corporations and international banks, because of their size and the financial resources they command, they have had disproportionate influence on policy making decisions at national and international levels. Transnational corporations and banks, which are often financially stronger than many national economies, use their leverage to block and subvert regulatory frameworks that limit their actions, including blocking any substantial advancement on issues such as climate change, social and environmental protection, technology assessment and regulation of the financial market. This poses serious challenges with regard to the effectiveness and the democratic dimension of global governance, and with regard to the advancement of sustainable development and the human rights agenda. Any future development framework must address this problem. Undemocratic and unaccountable actors ("too big to fail") must not be allowed to impose their views to the majority. Citizens, in democratic systems, want their governments to play the role which they have been elected for, namely ensuring security and justice and that long term strategizing prevails over short term and vested interests. The American Philosopher, Felix Adler, at the end of the 19th century introduced the idea of a maximum wage to put a stop to the "corrupting influence" of private fortunes on US politics¹³. To avoid corruption, the same logic should be applied to transnational corporations and banks in order to establish truly democratic, accountable and transparent systems of governance.

Lastly, civil society actors have shown how valuable their actions can be in terms of raising awareness on important issues for development cooperation and poverty eradication, delivering services at country level, providing expertise, holding governments and businesses accountable or voicing the issues of marginalised and vulnerable people. In this regard, they are key actors in development cooperation, but because of the democratic deficits observed at all levels of governance their voices are inadequately heard. This must change.

The future post MDG framework must take account of all these trends and developments. In terms of global governance, this framework must address the root causes of the multiple crises and truly reflect the three dimensions of sustainable development - the economy must serve people in full respect of the planetary boundaries - as well as the human rights agenda. People's and the planet's rights must be restored over corporate privileges. Concretely, the international community must address the lack of regulations and the abuses of the financial sector, including speculation in the food commodity markets; the problem of biofuel cultivation and its consequences on food security; unsustainable patterns of production and consumption and their impact on sustainable development, taking into account that the green economy as currently put forward by the EU will not be sufficient (sufficiency, efficiency and consistency strategies must be implemented to achieve environmental sustainability and equity); the issue of inequalities and power imbalances between and within nations; the detrimental influence of some actors of the private sector on policy decision making at the national and global level; the lack of democratic and inclusive governance at the international level (between countries and with regard to the participation of stakeholders in decision making); the imbalance regarding the treatment of the three dimensions of sustainable development, including the use of GDP as the main indicator for measuring well being; the incoherence and lack of integration of the three dimensions of sustainable development; the lack of accountability, monitoring and redress mechanisms to ensure compliance with sustainability and human rights requirements.

In order to address these challenges and establish a development framework that will lead to real progress in sustainable development, there is a need for cooperation between UN member states based on a fair,

¹³ Sam Pizzigati (2012), Enough is Enough, article published in Le Monde Diplomatique, http://mondediplo.com/2012/02/02maxwage

just and genuine basis. This means that countries have to acknowledge their respective responsibilities with respect to the current situation (financial, food and environmental crises. And because of the means they command and the historic responsibility they bear, developed countries should take the lead. Of course, emerging economies as well as other developing countries must contribute to the common effort but this should be done according to their means and to their contribution to the current situation, with the principle of common but different responsibilities applied on a per capita basis.

Furthermore, for sustainable development to be a reality developed countries must fulfil their commitments with regard to technology access and financial transfer and address the problems of intellectual property rights regime, particularly with regard to access to drugs essential to public health.

This partnership to be truly effective must also be based on a number of principles clearly spelled out, commonly understood, and agreed to by all (UN member states and different stakeholders). Because of their importance and relevance, we think that a number of the 1992 Rio principles should form the basis of the new framework. As already stated, the common but differentiated responsibilities principle applied on a per capita basis, thereby taking account of the recent evolutions in international relations and giving more weight to the "common" dimension of the principle, should be reaffirmed. This does not mean it should apply to all future goals, as developing countries, for instance, must also upgrade their social and human rights standards. But developed countries (and emerging economies to a much lesser extent) bear responsibilities for the current situation they should therefore be subject to different targets nationally and contribute greatly to the common effort. A commitment to the principles of solidarity and equity between and within countries as well as intergenerational equity also need to be clearly included in the new framework, thus promoting the idea of justice with regard to the distribution of costs and benefits. In this context the provision of assistance to achieve common sustainable development objectives would be viewed as a necessary act in the pursuit of a global sustainable development agenda. The polluter pays principle should also be clearly stated so as to stress the necessity for governments and international organisations to devise and put in place mechanisms to internalize social and environmental costs. It is also essential to re-affirm the Precautionary principle. New technologies do offer important opportunities and can contribute to achieving effective approaches to sustainable development. However, there are risks too, and the development and implementation of new technologies must be subject to assessment mechanisms. Principle 10 on access to information, public participation and access to justice and the principle of free, prior and informed consent must also be at the centre of the future framework, these principles should be extended to all decisions relating to sustainable development.

Recalling other principles, some included in the Millennium declaration, will also be crucial for any future framework to be effective. These principles are: the subsidiarity principle, the principles of freedom (free from "fear and want") and equality as well as respect for nature.

These principles must be discussed by the entire international community, as it is crucial to follow an inclusive process to establish the post 2015 development framework, and this participative and inclusive approach must also be at the centre of any system of governance the new framework is going to outline.

Once the goals, objectives and principles of a new framework for sustainable development have been discussed it will be important to consider the establishment and/or reinforcement of the accountability dimension of global governance. We will further detail the positions or structures to be created or strengthened in our response to the next question.

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?

As already explained, poverty or rather persistent inequality and inequity (we prefer to use these concepts as the notion of poverty is also captured within them and they better reflect the issues of justice and power imbalances) have structural causes and these causes must be tackled both nationally and internationally. In this regard, both developed and developing countries should be accountable to their respective populations but also to the populations that can be affected by their policies. We live in an interdependent world and this has consequences for each country, and particularly the advanced economies that bear greater responsibilities as to the impact of their strategies and policies on other countries' development.

However, for this global framework to be useful and efficient it needs to meet a number of requirements. It must adequately respond to the challenges and issues of our time and comprise a certain number of principles essential to establish a fair, just, ambitious and correctly understood framework (as described in response 6). This framework also needs to improve accountability by establishing or strengthening structures of global governance under the auspices of the UN. The global governance framework must also be coherent with the national and local level. There are several ideas and proposed initiatives that could be implemented in order to improve accountability and policy coherence for sustainable development. These include: at national level, the establishment of parliamentary committees on policy coherence for sustainable development as well as the creation of the post of ombusperson for future generations. This could be replicated at the UN level. The establishment of a Sustainable Development Council with a Universal Periodic Review mechanism (on the model of the human rights council) should also be envisaged.

Finally, the targets and indicators used to evaluate progress towards the achievement of specific goals must adequately reflect all important dimensions of the issues targeted by the goals. They must not be biased towards neo liberal thinking (self regulatory market, minimum intervention of the state) and must address all the obstacles for the achievement of goals.

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?

The partners of Eurostep are networks of NGOs such as Social Watch, ANND, Third World Network, LDC Watch or ALOP that strive for the same core objectives as Eurostep, i.e. improving equality, justice and sustainability in a world free of poverty. We also share the same concern about the widespread belief that neo liberal strategies are the best strategies to ensure development by focusing on growth creation, which itself is generated through export strategies, financial liberalisation, privatisation and macroeconomic stabilisation. As already highlighted, while these strategies have contributed to increasing capital flows and thereby increasing wealth for many (especially in the advanced economies), they also have had disastrous social (with the structural adjustments in developing countries or austerity measures in the EU) and environmental consequences, and have ultimately led us to the crisis situation we are in.

Taking into account our above priorities, a global framework could have the following advantages (as we already mentioned many of them we will just list the most important ones without going into detail):

- Because of its universal dimension a global development framework will comprise, engage, and provide guidance to <u>a wide variety of actors</u> whose activities are essential for the realisation of sustainable development;
- If developed through an inclusive process, this framework could also help <u>trigger broad debate on future</u> <u>perspectives for development</u> (that concerns both developing and developed countries) and <u>even help</u> <u>rethink the notions of progress and development as presently understood</u>, and this is crucial in these times of crisis;
- Such a framework could also <u>help tackle the root causes of inequalities, inequities and unsustainability</u> by setting goals such as achieving sustainable patterns of consumption and production, providing social protection floors etc which achievement depends on the involvement of all countries and which are also valid for all;
- Because of the urgency of the situation (impact of climate change, loss of biodiversity etc) a global development framework is a great opportunity to find solutions to these collective challenges.

Based on the above listed advantages the potential disadvantages of such a framework could be the following:

- The international community because of strong disagreements between the different actors involved in the process could opt for a very consensual and therefore unambitious framework. This new framework will not fundamentally question the predominant development paradigm, nor will it address the root causes of the crises.
- On the contrary, by encompassing too many issues and because of its universal character some of the positive aspects of the MDGs could be lost in the process, namely focused and clear goals or emphasis on poverty reduction. While this criticism has been rightly put forward by some developing countries we do

not think it will be the case if the new framework draws on the MDGs (positive and negative aspects) and pursue the work that has been initiated under the MDG framework. The new framework should therefore comprise the priority areas identified in the MDGs.

- Developed countries do not want to acknowledge their particular responsibilities as well as the obligations that go along with them and then try to push these responsibilities and obligations towards other actors, weaker ones (i.e. developing countries). In this situation this new global framework will do nothing to change the current donor recipient logic and therefore will not bring any added value.
- Because of the influence of certain actors (i.e. transnational private actors) at the national and international level the necessary measures to limit their power as well as the detrimental impact of their activities on sustainable development (situation of monopolies that hamper the realisation of the right to food or activities of speculation that impact on economic and financial stability) will not be part of the framework.

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

The future framework should address the root causes of the multiple crises as well as the issues of inequality, inequity, human rights violation and of insufficiently democratic and accountable global governance while taking into account planetary boundaries and the responsibilities of countries and other actors for creating the current situation.

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

The UN System Task Team's report reads that "the post 2015 UN development agenda should be conceived as a truly global agenda with shared responsibilities for all countries" ¹⁴. We will complete this statement with that of Roberto Bissio, Director of Social Watch, "the SDGs are to be universal for all countries of the world not just for a reduced set of countries. They are to be applied, of course, under differentiated conditions and capabilities but they are common. They should be universal and based on human rights" ¹⁵.

There are important ideas to draw from these statements. Both make a strong call for a global framework to be drawn up. There is an understanding of countries' shared but also different responsibilities and capabilities as regard to the current situation and the future development path to be developed. The need to commonly address the challenges we face as well as to recognize differences in capabilities and responsibilities between countries - with the idea that emerging countries must take up more responsibility while developed countries must take the lead - is stressed. It is also clearly recognized that human rights should form the basis of future development perspectives.

We agree with all these ideas. We already mentioned that a global framework is essential to address the root causes of inequality, human rights violation and unsustainability. And given the urgency of the situation (biodiversity loss, climate change, increasing inequalities etc) there is no room for further delay. Without involving developed countries, the structural changes necessary to address the present challenges will never be undertaken. Furthermore, problems of inequality, injustice, imbalance of power, unsustainable practices concern all countries, not only developing countries. A fair, just and ambitious global development framework including provisions for strong regulatory and accountability mechanisms will allow civil society to monitor the actions of its government, and actors such as the private sector, towards the achievement of the goals to be set.

Following the polluter pays principle and that of common but differentiated responsibilities, developed countries must take the lead politically and financially. They must achieve sustainable consumption and production patterns on their own territory and also help developing countries in this undertaking by granting them access to environmentally sound technologies, by reforming the intellectual property rights regime, and more generally by structurally reforming the predominant economic model.

 $^{^{14}}$ UN System Task Team on the Post 2015 UN Development Agenda (June 2012),op.cit, p.ii.

¹⁵ July 2012, panel discussion as part of the Development Cooperation Forum, ECOSOC, New York. http://www.socialwatch.org/node/15210#Somavia

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?

As already explained in order to address the root causes of unsustainability, inequalities, inequities and rights violation the future framework must concern all countries, not only the most vulnerable. Specific targets should be established according to countries' needs and capacities (following the principle of common but differentiated responsibilities), and as more resources (financial and technological) from richer economies and multilateral funds will be geared towards these poor and fragile countries¹⁶, they will receive the special attention they deserve.

Climate change, food price volatility, resources scarcity or debt burden are undermining development gains in the poorest and most vulnerable countries of the world. Therefore, all countries must be involved, particularly those who contribute most to the worsening of the global situation.

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

We already mentioned the importance of establishing truly inclusive and democratic systems of governance to improve sustainable development and respect for human rights.

Regarding the particular reference to emerging donors, South - South and triangular cooperation have recently emerged as "new and innovative" forms of development cooperation and these forms of cooperation have shown positive results. They should therefore be further promoted and encouraged. Being new and additional, this should not be seen as providing opportunities for current donors to decrease assistance to developing countries and step away from their responsibilities.

As to the increased involvement of the private sector in development and sustainable development, strategies should utilise the opportunities that private sector actors offer within a clearly defined regulatory and accountable framework. Recognition also needs to be given to the potential roles that different kinds of private sector actors can play, and the relationship that they have with the societies in which they are active. The EU and other developed economies have emphasised the need to provide an enabling environment for private sector investments. But less emphasis has been placed on the need for mandatory frameworks that regulate the activities of the private sector towards meeting human rights and sustainability requirements. Private sector actors have always been central to economic activity as producers, service providers, and innovators and they can make an important contribution towards a sustainable economy being realised. However, this is not inevitable as some will act in ways that hinder such a goal. Distinctions need to be made between different actors within the private sector and the roles that they play. The role that small local enterprises play within their local community is very different from that of a transnational corporation. Small local enterprises are much more likely to be rooted in the interests of local communities in which they operate. Transnational Corporations, with their leverage over markets, products, consumption patterns, trade rules, and indeed decisions taken by governments are less accountable to local concerns, or even the national interests of the countries in which they operate, with a tendency to respond much more to the financial interests of their significant shareholders. Private sector activities are intrinsically driven by profit making therefore sustainable development requirements are not naturally followed by the private sector, unless sustainability constitutes the basis of the activity (ecological agriculture, renewable energy etc) or generates the best financial return.

The private sector, especially transnational companies (which size and influence should be limited in the long term, see our response to question 6), must be encouraged to contribute to achieving sustainable development within suitable regulatory frameworks that are consistent with and derived from the

¹⁶ Additional financial and technological resources will be provided to these countries as firstly the EU and other important donors are already primarily focusing their development cooperation on the most vulnerable and fragile countries, and the EU has shown its desire to accentuate this trend (principle of differentiation as set out in the Council Conclusions, "Increasing the Impact of EU Development Policy: an Agenda for Change"). Furthermore the future framework if truly global and comprehensive, this means that implementation of the future goals will require additional financing. Also, if a new global system of burden sharing beyond ODA, as proposed in the Reflection Group's report and which rationale and modalities will be developed in our response to question 14, is set up it signifies that rich countries will have the obligation to provide new and additional financial resources to poorer and more disadvantaged ones. Finally, if comprehensive enough the new framework will also address the issue of access to technology and intellectual property rights regime to guarantee access to quality and affordable drugs and technology.

principles for sustainable development and human rights, various conventions, and other agreements adopted by the international community, and with appropriate mechanisms for transparency and accountability being put in place, at both national and international levels. Furthermore, as far as possible the emphasis should be placed on prioritizing the development of sustainable strategies at the local level with the involvement of local actors (local authorities, small and medium entreprises, CSOs and citizens).

Relying too much on the private sector without putting in place the necessary regulatory and accountability mechanisms will not lead to sustainable development.

The EU and other developed countries governments must think differently instead of relying on the magic bullets of the private sector and emerging economies. They must define the main lines for a change of paradigm, one that will lead us to true sustainable development.

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

Elements to respond to this question have already been provided in our responses to question 6 and 7. It is also important to add that improving PCD requires a political willingness as much as any technical capacity. As already stressed, for too long the economic dimension of sustainable development has been given prominence in systems of governance at all levels. If governments and other stakeholders are serious about achieving sustainable development, the three pillars of sustainable development need to be equally reflected in systems of governance at all levels, in order to enable them to be held in a complementary balance. The economy must serve people while protecting the planet and this should be reflected in governance system.

Democratic and inclusive governance is also crucial in order to balance the interests of conflicting groups within societies. Truly democratic, participatory and inclusive systems of governance must be established at all levels and follow the principle of subsidiarity in order to bring decision making as close to citizens and concerned authorities as possible.

14. How could a new framework improve development financing?

Improving financing for <u>sustainable development needs to be addressed</u>, not only financing for development. By doing so, the three dimensions of sustainable development are fully reflected and focusing on financing for development in developing countries only is avoided.

Improving sustainable development financing requires a better allocation of existing resources, finding new and additional financial resources through improved taxation or innovative mechanisms, and it is also about improving taxation systems and resources mobilisation, especially in developing countries. In this regard, several key actions need to be undertaken:

- Restructuring of national fiscal policies towards improved equity and sustainability. Following the 4Rs logic, fiscal policy must have four purposes; raising revenue, redistribution of income and wealth, re pricing of goods and services (according to the polluter pays principle), democratic representation of and accountability to tax payers; These 4Rs must be properly applied to fiscal policy, and measures must also be taken to guarantee that poor people are not the ones who foot most of the bill (differential pricing could be introduced for goods and services)
- Tackling tax evasion and illicit financial flows as well as helping developing countries build robust and efficient taxation systems. Mandatory country by country reporting standards for transnational corporations should be put in place as well as automatic, multilateral information exchanges which take account of the needs of developing countries. Sanctions should be imposed on countries that practise banking secrecy and make transactions to such jurisdictions etc
- Establishing a tax on financial transactions and reallocating a fraction to a United Nations' fund for sustainable development. Financial transactions tax should be fully considered as a mechanism to generate financial resources for sustainable development but also as a means to reduce instabilities arising from financial speculation.

- Using gender budgeting, sustainable procurement and investment strategies towards sustainable development.
- Ensuring that services and goods essential to meeting populations' needs and sustainable development are publicly managed and/or respond to criteria of quality and affordability. In the case of public private partnerships, "it is fundamental that public finance is channelled to the companies and sectors that have least access to private capital markets, hence ensuring that scarce public resources are genuinely additional to private finance¹⁷".

- A new global system of financial burden-sharing beyond ODA (as presented in the Civil Society Reflection Group's report).

The Civil Society Reflection Group stresses the misleading character of the concept of aid "as its justification is charity instead of rights". Therefore, "governments have to overcome this concept of aid and establish a new normative framework of burden-sharing between rich and poor countries based on the solidarity principle – for example, in the form of a <u>universal fiscal equalisation scheme</u>". Also, following the concept of common but differentiated responsibilities and the polluter pays this new global system should be viewed as "<u>compensation scheme to pay off climate debt</u>".

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?

We cannot limit our response to only three important features or elements. We believe that 5 crucial areas should be targeted for an effective and truly global post 2015 development framework. These areas include:

- <u>Social sustainability</u>: Goals and targets related to the achievement of all economic, social, cultural and political rights should be set (establishment of social protection floors, access to reproductive health services, women empowerment etc). This part should also address the issue of inequality and inequity (measured against Gini coefficients, see response 17) with a special attention to targeting vulnerable and discriminated population, ensuring access to essential services and goods (affordability and quality criteria), and to improving redistribution of income and wealth through fair taxation based on the ability to pay, and in the case of businesses also according to their contributions to sustainable development.
- Environmental sustainability: This section should list all the planetary boundaries (as identified by Johan Rockström et al¹⁹) and envisage strategies and targets to stay within these boundaries while ensuring universal access to energy. This should include, inter alia, targets on resource efficiency, on the share of renewable energy in national energy mix, on access to energy, targets for phasing out subsidies that are harmful to sustainable development, for improving resilience to disasters, for implementing policies that aim at ecological structural change (less dependency on material goods production and consumption, better urban traffic planning etc).
- <u>Economic sustainability</u>: reform of the economic and financial system. This should include, inter alia, reforms of the competition and anti-trust policies, reform of the intellectual property rights regime to guarantee access to environmentally sound technologies and affordable drugs to developing countries, stopping land grabbing, encouraging local solutions for jobs creation (following the principles of the decent work agenda) and promote sustainable development (investment in ecological farming methods, decentralised energy projects etc), address short term speculative attacks on food commodities, tackle illicit capital flows and tax evasion etc.
- <u>Political sustainability</u>: the main goal would be to improve governance at local, national and global level. This requires a three-fold approach: ensure inclusive and participatory approach at all levels; limits private interest groups' influence on decision making processes; strengthen existing institutions and structures or establish new ones to ensure policy coherence for sustainable development, access to justice in case of human rights violation and unsustainable practices, as well as accountability of the different actors.

¹⁷ Eurodad (2012), Private profit for public good? Can investing in private companies deliver for the poor?, http://eurodad.org/1543000/

¹⁸ Civil Society Reflection Group (2012), op. cit, p.76.

¹⁹ Rockström, Johan et al. (2009), 'Planetary Boundaries: Exploring the Safe Operating Space for Humanity', in Ecology and Society 14(2): 32 [www.ecologyandsociety.org/vol14/iss2/art32/].

- <u>Peace and Security:</u> goals and targets in this section should be based on the definition of peace as put forward in the UN System Task Team, i.e. "the "absence of violence" or "absence of the fear of violence", this includes many of the elements already discussed in the "social sustainability section" as well as improving governance with low level of corruption, conflict prevention and resolution, cutting military spending, improving the control and regulation of arms export etc.

As explained in response 6 this framework should be based on a number of principles, particularly those of subsidiarity, solidarity, the precautionary principle, principle 10 and the principle of common but differentiated responsibilities. All principles mentioned in response 6 are highly valuable but it is important to emphasis these ones in particular as they are not explicitly mentioned in the above framework (contrarily to equality or freedom for example). Regarding common but differentiated responsibilities, this principle should apply to the "environmental sustainability section" as different targets should be set according to countries' responsibilities. It has also implications for all the above sections as more advanced economies because of the financial and technological means they command have the obligation to help other countries develop sustainably. It does not mean that developing countries should not meet particular targets on social protection for example but it implies they should be assisted in this task.

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

- Any new development agenda should not reinvent the wheel. It must take account and respond to present realities and challenges, and build upon present and past initiatives and internationally agreed principles and rights. Concerning the last two points, the international community must assess if these initiatives, principles and strategies have properly been translated into concrete actions and if they have, consider in what ways they have contributed or not to the achievement of sustainable development. Concretely, this means that the new framework must take account of all the present trends (as described in response 6) and respond to the current challenges. This also signifies that initiatives such as the MDGs and the lessons learnt from their implementation (positive and negative aspects) must be built upon. Finally, principles such as those contained in the 1992 Rio Declaration or the Millennium Declaration and the human rights agenda which suffers from an implementation gap are still as relevant today as they were years ago. A certain number of principles (as set out in response 6) should form the basis of the framework and human rights should help formulate a number of the new goals and be at the centre of the framework (legal obligations).
- Any new development agenda cannot maintain the current aid recipient logic as well as avoid tackling power imbalances. As already mentioned there is the risk of developed countries trying not to uphold their responsibilities and therefore avoid any constraint on their own development model. While the costs of the necessary changes might be quite consequent in terms of their social, economic and political impacts they can no longer be delayed. While emerging economies have to take on more responsibilities, developed countries have to take the lead; the principle of common but differentiated responsibilities must be applied on a per capita basis. Furthermore, addressing power imbalances at the international and national levels must be considered as priorities of the new agenda. This should be done by establishing truly inclusive and participatory decision making processes at every level (local, national, regional and global). There is also a need to increase the voices of the most vulnerable countries and people at local, national and international level (i.e. reforms of the IFIs, WTO, and UN structures towards more democracy). Finally, banks should not be too big to fail and transnational corporations cannot be in situation of quasi monopoly in a system which is supposed to ensure fair competition. We therefore agree with the report of the Reflection group which reads that "too big to fail should be translated into too big to allow²⁰".
- Any new development framework cannot only focus on poverty reduction strategies (ends) and thereby avoid applying a human rights based approach to development and avoid questioning our current model of development (means). Human rights are legal guarantees for citizens and legal obligations for governments and businesses. In this light, using a human rights based approach to development strongly constraints governments and business to abide by these rights by adapting their legislation or rules

²⁰ Civil Society Reflection Group, op. cit, p.80.

accordingly, and it also allows citizens to claim their rights and ask for compensation in case of rights violation. Furthermore, it implies that poverty and human rights violation are not a fatality but can be overcome if the necessary policies are implemented. The universal dimension of human rights is also of paramount importance as it means that all individuals and communities should enjoy their rights without discrimination and it also means that governments or other actors must find solutions when people cannot enjoy their rights. Goals and targets should not be too prescriptive as to the means to be used to achieve the future objectives. However, the belief that there is no alternative to the market economy and that public goods are best handled under the market's rules should be questioned and neo liberal strategies can no longer be imposed on developing countries in exchange of development aid. Governments must take the lead and guarantee their population have access to quality, effective and affordable services.

17. Should it be based on goals, targets and indicators? If any, should goals have an outcome or sector focus?

We agree with the System Task Team's vision that "given the high degree of global interdependence, setting collective goals and targets to be pursued by the world community will remain meaningful. In doing so, however, a one-size-fits-all approach should be avoided. Needed flexibility should be ensured to tailor targets to regional, national and sub-national conditions and priorities, while respecting international standards, and should be tracked with data disaggregated by sex, age and geography (including rural-urban location). Such tailoring of development targets to national and local circumstances is most effectively and legitimately done through participatory processes." Also, as seen in our response to question 15 in some cases expected outcomes could be the creation of a position, the ratification of a treaty etc.

There is also a need for indicators which measure inequality and inequity, Gini coefficient is a useful tool in this regard. It should be applied nationally and globally and also to all appropriate goals to be agreed upon (i.e. universal access to energy or establishment of social protection floors).

Assessing progress in gender equality is particularly important. Indeed, it has been shown that improvement in gender equality is central to achieve many development goals. "The presence of women in political leadership positions appears to increase schooling for girls. Children's health is influenced by women's bargaining power in the home. Lower fertility rates, also associated with increased educational attainment for women, can have a positive effect on growth, while gender inequality in education undermines growth" Improving gender equality by addressing the root causes of inequality between men and women both at the international and national level and assessing progress towards it should therefore be prioritized in the future framework.

Regarding the outcome or sector focus of the goals, it is important to underline, following our response to question 15, that we would prefer a thematic approach to goals. Each of the five areas presented in our response to question 15 should comprise a number of goals that could either be sector or outcome focus, depending on the goal to be achieved.

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

See our responses to questions 6, 7, 10, 12, 13, 14 and 17

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²¹ Said Expert Terra Lawson-Remer of the Council on Foreign Relations (CFR) in Social Watch's article http://www.socialwatch.org/node/15301