

POST-2015:

GLOBAL ACTION
FOR AN
INCLUSIVE
AND
SUSTAINABLE
FUTURE



EXECUTIVE SUMMARY



EUROPEAN REPORT
ON **DEVELOPMENT**



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EUROPEAN REPORT ON DEVELOPMENT 2013

Post-2015: Global Action for
an Inclusive and Sustainable Future

Executive Summary



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Introduction

The international community is on the verge of a unique opportunity to reset the global development agenda. There is considerable debate and widespread interest in establishing a post-2015 global framework to succeed the Millennium Development Goals (MDGs) and guide global collective action on development. This Report argues that, given the generally positive experience of the existing framework, world leaders should agree on its successor promptly so as to maintain the momentum of the unprecedented global movement for development the MDGs have inspired. The new framework should still be rooted in the United Nations Millennium Declaration and build on the achievements of the MDGs, but it will need to go further. It is

also important that the European Union (EU), and its Member States, contribute significantly to this new global agenda in view of its commitment to development and to effective multilateral action.

This Report aims to provide an independent contribution to the post-2015 debate by focusing on how best global collective action can support the efforts of developing countries to achieve development. It is based on wide-ranging research and consultations carried out by a team from three European development institutes, as well as four country studies conducted by national research institutes in Nepal, Rwanda, Côte d'Ivoire and Peru. The analysis provides arguments and evidence for constructing a post-2015 development agenda.



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Constructing the post-2015 Agenda

The MDGs have been one of the most successful attempts ever to encourage global collective action around a limited set of goals with one core objective: a significant reduction of global poverty. They have come to be central to the way the international community thinks about, mobilises support for, implements and monitors development cooperation. Yet the international collective action they have inspired also has its limits and the aim to achieve a global partnership for development, as set out in MDG8, has been one of the least successful. The MDGs have also come to be closely associated with development assistance and a donor-recipient model of development. So, as 2015 approaches, there is a need to review how the momentum of this international effort can be sustained and improved in a changing global context. But it is equally important to reflect more deeply on the key international drivers of development and how to work with and harness these better in the future. In considering options for a new framework the Report therefore seeks to step outside the framework of goals and instruments used to pursue the MDGs, and to look ‘beyond MDGs’ and ‘beyond Aid’.

Key conclusions

The analysis of the ERD 2013 leads to a series of main messages listed at the end of this summary and detailed in the Report. Overall the analysis reaches four key conclusions for a post-2015 agenda:

- **A transformative agenda is vital:** The international community should pursue a wider and more transformative approach to development than was captured in the MDGs, if poverty is to be eradicated. This calls for economic and social transformations that emphasise creating employment, addressing inequality and finding sustainable solutions. Poverty should remain a core focus of this agenda, but the objective should be to tackle its causes by adopting a model of development that is more inclusive and sustainable.
- **National ownership is key:** A new framework should pay more careful attention to how global goals relate to national policy needs and targets, respecting domestic policy space and linking national and international efforts in a mutually supportive and flexible manner. It may help to opt for some form of ‘mixed-design’ framework that allows for both global and national goals, as well as both targets and broad principles.
- **Scale up global collective action:** Richer countries, such as those in the EU, should strengthen their support for a new framework by extending collective action to areas important to development, such as international financial regulation, trade, migration and climate change; by enhancing the coherence of all policies with international development, in line with the principle of Policy Coherence for Development (PCD); and by continuing to increase both the level and effectiveness of their aid.



- **A new framework should be about instruments as much as about goals.**

The temptation in considering a successor to the MDGs is to focus only on the goals and human development targets to be achieved. Yet some of the areas where progress has been least promising, such as MDG8, has been precisely in making better use of the instruments identified for international cooperation, such as official development assistance (ODA), as well as other resources, international agreements and regimes. A new framework should therefore clearly highlight the instruments to be used and the targets set for their use.

Building on the MDG experience

The Millennium Declaration was the basis for the MDGs and so is an important starting point for any post-2015 global development agenda. The Declaration is not exclusively about poverty reduction, but takes a wider view. For largely pragmatic reasons the MDGs focused on a limited number of issues related more directly to poverty, principally (MDGs1–6). Although MDG7 brought in environmental and sustainability concerns, and MDG8 highlighted the importance of a global partnership, these two goals have received far less attention than the others.

Experiences of the MDGs vary considerably but can usefully be considered from three angles:

- **Global experience** has given rise to a number of specific criticisms, which should be corrected in any successor to the MDGs. Among others, the MDGs tended

to mask inequalities and omitted some issues of key importance to development (e.g. productive employment, climate change, governance, migration, conflict, security and disability). MDG commitments by rich countries were only partially honoured, and the translation of global goals and targets into national policy was difficult for many countries. In other words, a new framework should promote a broader vision, with a more carefully calibrated interplay between national policy targets and reliable international action. The Millennium Declaration remains a useful starting point, but the way it is translated into goals, which are then implemented, needs to be strengthened.

- **Country experience**, based on research undertaken for this Report in four countries and on wider evidence, suggests that the MDGs are seen and used in very different ways. The case study countries most dependent on ODA or facing fragile situations gave the MDGs most prominence, while for MICs they were less relevant and the targets largely inappropriate. In none of the four case study countries was ODA the only external force for development. International trade, foreign investment, migration and remittances were also crucial, suggesting that their linkages with national policy need to be better understood and managed. Domestic efforts to raise taxation have helped to enhance national policy space, whereas the more aid-dependent countries have

MAIN MESSAGE 1

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A new global development framework is needed.

The MDGs have been instrumental in mobilising global support for development, while the vision behind the Millennium Declaration remains highly relevant. A new development framework should build on these efforts. The scale and urgency of the challenges and opportunities facing developing countries also provide a strong rationale for a post-2015 agreement. Given their intrinsic international nature, the new framework would need to cover a range of global issues that affect development outcomes such as climate change and consumption patterns.”



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MAIN MESSAGE 2



The framework should promote inclusive and sustainable development.

Poverty eradication remains a central objective, but its achievement and protection will require development strategies that are both inclusive and sustainable because long-term poverty cannot be eradicated simply through social provisions. Economic growth is key but it needs to be socially inclusive and environmentally sustainable in order to eradicate poverty decisively. Exclusion and growing inequalities undermine sustained economic and social progress, while those living in poverty tend to be disproportionately affected by environmental degradation and adverse climate change. ”

found that donors' close adherence to the MDG agenda has not always matched national priorities.

- **International partners' including the EU's experience** have been mixed, despite good policy acceptance and a concerted effort to raise ODA and increase PCD. In the EU as a group, as in most OECD countries,¹ ODA targets will not be reached and PCD remains very difficult to put into practice. But perhaps the most crucial issue has been the failure of the international community to reach agreement on key issues such as climate change and trade or to achieve a stable and transparent international financial system.

Looking forward

A new global framework for development will contend with and must adapt to a world that is changing rapidly. By 2050 the global population is expected to reach 9.3 billion and 80% of it will be located in Asia and Africa. Poverty is falling but is likely to remain high in sub-Saharan Africa (SSA) and to be increasingly concentrated in fragile states. Several environmental planetary boundaries are already being transgressed. By 2050 the world may require 80% more energy. Forecasts of economic, demographic and environmental trends all point to the urgent need for bolder and more radical approaches to global collective action than even the MDGs were able to inspire. Global prospects are bleak, due in part to the long-term impact

of the global financial and economic crisis and climate change, yet growing trade, capital and migration flows will make the world more interdependent, emphasising the importance of achieving an international policy environment that is supportive to development. Equally, the impact of the consumption patterns of a growing global middle class on environmental trends is likely to be particularly severe on the poorest countries. The need for coordinated and effective global collective action to tackle all three aspects of sustainable development – economic, social and environmental – is therefore becoming ever more urgent.

The international political context is also changing. Global power is shifting, with new state and non-state actors becoming more prominent and better able to support international development, whereas OECD countries have experienced economic setbacks. This will make the negotiation of a post-2015 agreement more complex, but there may also be more potential contributors to achieving solutions. In any case there will be a need for an inclusive approach to agree on any successor to the MDGs and to ensure its effective implementation.

The contribution of recent research to a greater understanding of the complexity of poverty and wellbeing needs to inform any new framework. For instance, the multi-dimensional and dynamic nature of poverty has been highlighted as many people move in and out poverty, whereas chronic poverty

1. With the exception of Norway, the five OECD DAC members (Denmark, Luxembourg, Netherlands, Norway and Sweden) that contribute more than the 1970 internationally agreed 0.7% ODA/GNI target, are all members of the EU.



blights the lives of particularly disadvantaged groups. Not all dimensions of wellbeing correlate with income. Moreover, inequalities generally intersect, which increases the chances of being both poor and socially excluded. This suggests the need to focus more on deprivation at the social or structural level within a more transformative agenda to find sustainable solutions to poverty that also tackle structural inequalities and particularly those affecting specific groups, such as minorities, youth or women. Redistributive mechanisms and social protection systems should be part of these solutions.

As countries become wealthier, and a greater proportion of the poor live in middle-income countries (MICs), persistent inequalities become an even more pressing and often persistent issue. Tackling inequalities, encouraging inclusiveness and looking for sustainable solutions are, therefore, all part of the transformative agenda that a future development framework should emphasise. Fragile states, as a group, have done least well with the MDGs and will require special attention in an approach that includes but goes well beyond social provisions. All this points to the need to seek to go beyond reducing poverty and stress the more holistic goal of inclusive and sustainable development (ISD) that encompasses an ambition to tackle poverty at its roots and in a sustainable manner.

International drivers of development

A number of international drivers have a major impact on creating an environment that is conducive to development. The

Millennium Declaration and MDG8 point to some of them, as do the four country case studies. This Report focuses on three drivers represented by international movements of money, goods and people, namely (a) development finance, (b) trade and investment, and (c) labour migration.

The analysis of Development Finance points to the importance of diversification and to the prioritisation of financial sources that maximise national policy space. The specific characteristics of different types of development finance make each one suited to particular purposes. Domestic fiscal revenue gives a government maximum flexibility and control. South-South Cooperation (SSC) increases options for governments and emphasises mutually beneficial solutions. Foreign direct investment (FDI) can provide larger-scale finance to stimulate economic growth. International migration is a valuable self-help solution for individuals, although seldom the very poorest, but the remittances they provide are often also significant at a national level. Official Development Assistance (ODA) has a particular value because it can be carefully targeted and used as leverage, which means that richer countries still need to increase its volume and improve its effectiveness. They can also act collectively to help developing countries to control international financial flows and restrict illicit flows and so improve their fiscal capacity.

A review of trends in international Trade and Investment in terms of their impact on reducing poverty points to the problems

MAIN MESSAGE 3

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The framework must build on an updated understanding of poverty.”

A post-2015 framework will have to tackle absolute poverty and deprivation both from an income and a non-income perspective, thus relating to concepts of multi-dimensional poverty. It will also need to address issues of relative poverty, which incorporate aspects of social inclusion and inequality.”



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MAIN MESSAGE 4

“ A transformational development agenda is essential for this vision. ”

A stronger emphasis on promoting structural transformation and particularly job creation will be crucial to foster sustainable economic and social development. This may entail a fundamental reconsideration of the current development paradigm to ensure greater coherence of global action. A transformational agenda will require a greater emphasis on processes and transition paths. For instance, a focus on productive employment would support those economic, social and political transformations, which in turn would promote greater inclusiveness and sustainability. ”

facing marginalised and vulnerable economies, including the lack of economic and trade diversification. Creating productive jobs is a key means to tackle poverty, improve social inclusion and achieve economic and social transformations. International support for government efforts to promote modern-sector exports by designing appropriate international trade and investment regimes, combined with measures to reduce vulnerabilities to external shocks, should therefore be central to any new framework. The fact that the MDGs made little progress in this area makes this all the more urgent.

Migration for employment can be a life-transforming experience for any individual. For low-skilled migrants in particular, it may be the biggest single step they can take to move out of poverty. Migrants' remittances can have a huge impact on their families, enhancing their ability to gain access to services and improve their wellbeing. But migration often has high costs and can be fraught with dangers. The fact that irregular migrants take such risks shows the powerful appeal of labour mobility as a way out of poverty. While some developing countries see a place for establishing a migration policy and the value of the remittances, most governments of sending and receiving countries alike could do far more to reduce the difficulties and dangers faced by migrants. In so doing they could also find more lasting solutions to reduce irregular migration and enhance the supply of labour for promoting their own national economic growth and at the same time for optimising the impact on global development.

Forging collective action

Strong international collective action in a variety of areas is fundamental to eradicating global poverty and fulfilling the Millennium Declaration's promise. Despite the limited progress achieved on MDG8, the MDGs have in many ways been a success in encouraging this collective action, so it is important to build on their achievement.

Encouraging more extensive and reliable international action and support for global development should be a core element of a new post-2015 framework. Although governments need the policy space to follow national development agendas, and there are many internal factors that encourage or impede their implementation, it is also important that governments have an enabling international environment in which to pursue their development agendas. International collective action in a wider range of fields than just development cooperation is therefore vital and should include joint action on trade and investment, appropriate international finance systems and transparent regimes for managing migration as well as agreements in other areas such as climate change. The EU, as one group of richer countries, can make a valuable contribution both to promoting such collective action and by continuing to adjust its own policies to maximise PCD.

While it may prove impossible to integrate goals and targets in all these fields into a single framework, it is essential to recognise their interdependence and agree on a series of mutually supporting agreements to ensure that any successor to the MDGs achieves the



eradication of poverty. It may be an attractive option to adopt a mixed design that allows for both global and local goals and for targets as well as broader principles. This could increase the flexibility of the framework, allow for diversity and help maximise national ownership.

Beyond MDGs and Beyond Aid

The argument of this Report is built on the observation that to make progress on the broad vision of the Millennium Declaration, the MDGs' pragmatic approach was to focus on income poverty and human development. Yet the wider scope of the Declaration encompasses many issues such as employment, human security, sustainability, support to the vulnerable as well as more equitable and predictable international trading and financial systems, all of which are fundamental to development. The research for this Report suggests this vision remains very relevant, but that to achieve it requires agreement on a broader set of goals than the MDGs. Equally, its achievement requires a wider range of instruments than ODA, the main tool of the MDG effort, and an approach that moves beyond the historical donor-recipient relationship.

The Report is therefore framed along two main axes, shown schematically in Figure A. One axis refers to the types of objectives that may be pursued in a global agenda; the other refers to the types of instruments that may be mobilised towards achieving

those objectives. This matrix is therefore an invitation to consider how to improve the current MDG framework and devise a successor to the MDGs.

The first axis, '**Beyond MDGs**', concerns the objectives. Since their adoption, international development cooperation has become increasingly focused on achieving the MDGs. In crude terms, much of the effort has been on the social sectors of education and health (MDG2 through to MDG6) in the expectation that these would lead to the reduction of income poverty and hunger (MDG1). Moving 'beyond MDGs' thus means broadening the focus beyond the social sectors to include more comprehensive objectives that would re-focus development efforts and guide international cooperation. For example, poverty would be defined not only in terms of income, but would also integrate new thinking on wellbeing, social exclusion and multidimensional poverty. Possible new objectives may thus relate to job creation, productive investment, pro-poor growth, inequity and inequality, security, climate change, coping with scarcity of resources, etc. Moving across Figure A from left to right on the horizontal axis suggests aspiring to a broader set of objectives than were captured in the MDGs.

The second dimension, '**Beyond Aid**', is about instruments. The Millennium Declaration recognises that achieving its vision depends on a variety of measures, such as better international regimes for trade and finance, more and better development assistance, policy coherence and improved

MAIN MESSAGE 5

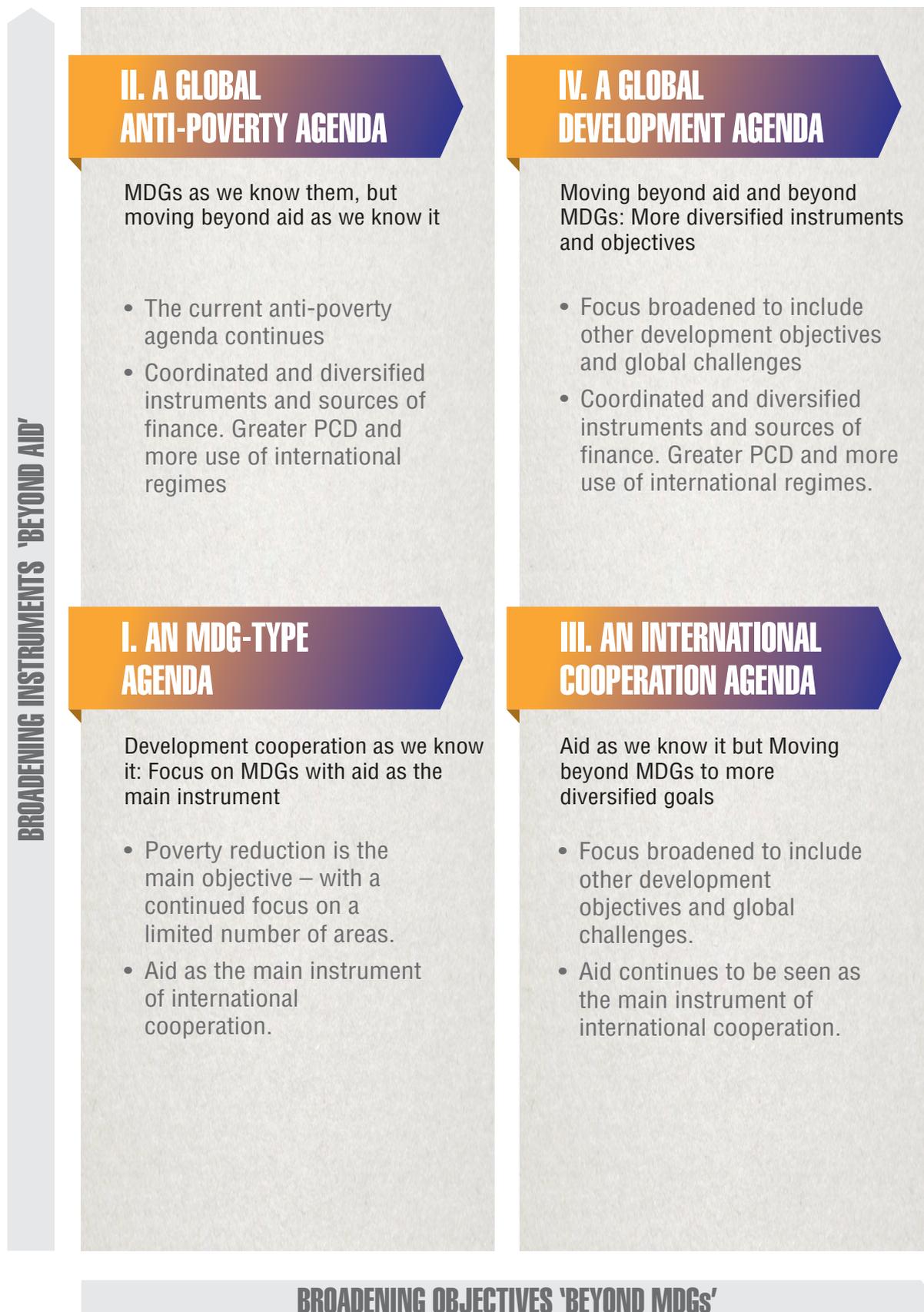
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The global development framework should support country policy choices and development paths.

The policy space of governments should be respected both determining national development priorities and in other areas such as development finance, trade and investment and migration. A global framework on development should support such aims and be designed to recognise that flexibility is required to cater for diverse national circumstances.”



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Figure A: Moving beyond the MDGs and Aid to a global development agenda



governance. Despite significant emphasis since 2002 on raising the level of ODA, few of the other instruments of international cooperation outlined in MDG8 have been effectively pursued.

Moving 'beyond aid', up the vertical axis of Figure A, therefore implies looking at international policies that affect a country's ability to achieve inclusive and sustainable development. This can include the major linkages between developing countries and the EU and other rich nations such as through trade or migration, or the international financial system. At the same time it also means that a global framework will need to address development finance in a more comprehensive fashion, incorporating other (international and domestic) resources beyond ODA, into a new global understanding of ways in which to finance development, that includes resources such as global public finance, climate finance, FDI, remittances and domestic resources, including tax revenues. The concept of PCD is central, since it implies that all policies, and not merely development cooperation, should be conducive to development, e.g. policies in the areas of trade and investment or agriculture and fisheries should promote (or at the very least not thwart) development.

To describe the aim of a new post-2015 framework, this Report uses the term inclusive and sustainable development (ISD). The concept is felt to encapsulate the vision of the Millennium Declaration (see Sections III-VI). The term itself has been used by the World Bank and UNCTAD

and appears in the EU's recent Agenda for Change. Achieving inclusive and sustainable development is about eradicating poverty in a sustainable manner, socially, economically and environmentally. The linkages between inclusiveness and sustainability have been tackled before, but the interaction between them and economic growth (especially the need for job creation and structural economic transformation) is crucial to a development model that tackles the roots of poverty and does not simply seek to reduce its incidence, whatever the inherent value of such an effort. For this reason, inclusive and sustainable development should be at the heart of any new global development framework. Its dimensions underline the importance of its three key features: the quality of development (addressing the causes of poverty), the spread of development (reducing inequality), and its long-term perspective.

Country experience

A major aspect of the approach taken in this Report is to build on evidence and arguments based on developing countries' experience of the MDGs. Four country case studies were commissioned from national research institutes in Nepal, Rwanda, Côte d'Ivoire and Peru as key inputs to the background research for this Report. These countries were chosen to present a range of development experiences with the MDGs, and very different links with the global economy, international cooperation and the EU. Twenty years ago all four were LICs, but two, Côte d'Ivoire and Peru, are now MICs. All four

MAIN MESSAGE 6

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The deployment of a broad range of policies 'beyond aid' is essential.

Policies in areas such as trade and investment, international finance and migration have significant effects on development outcomes and need to be designed accordingly and in a coherent manner. ODA will continue to be important, but it will need to be used in a more focused and catalytic manner and to leverage other appropriate forms of development finance.”



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MAIN MESSAGE 7

“ A range of development finance sources will be required. ”

Domestic resources are the main source of finance for development, not least because they provide the greatest policy space. Private domestic investment and FDI are also important and should be supported. Providers of SSC should be encouraged to further strengthen their contribution since it offers partner countries additional choice and opportunities. Levels of ODA should be maintained and increased, and ODA should be allocated in ways that maximise its impact. To improve the effectiveness and complementarity of different types of development finance, it is important to encourage transparency of all financial flows. ”

have been affected by periods of major crisis and violence in these two decades, creating fragilities that in some cases still linger just below the surface and at times resurface. The case studies thus demonstrate the wide variation in development trajectories and confirm the central importance of domestic political and economic processes in shaping them. Equally they show the importance of the external environment in providing opportunities and support, but at times also creating difficulties that can exacerbate already fragile situations.

The MDGs have played very different roles in supporting these countries' efforts to realise some of their development objectives. External contributions to and influences on each country's development have varied hugely. The ability to build trade and attract FDI has been key to Côte d'Ivoire and Peru, although both have been vulnerable to a reliance on too few commodities. Nepal and Rwanda have found the difficulty in attracting FDI and new technology as a major impediment to development. In Rwanda and to some extent Nepal ODA has been particularly important, while in Côte d'Ivoire it signalled international support for the new government. The four countries also have very different experiences of labour migration, ranging from Nepal, where migrant remittances are a vital source of national income, to Côte d'Ivoire where immigrants who were welcome in the boom years later became the focus of populist political manoeuvring. In Peru, emigrants who left in more difficult years in the past are returning. The country is now even attracting

young Europeans in search of employment. The opportunities created by the growing importance of South-South Cooperation (SSC) are evident in all four cases.

Above all, the case studies illustrate the different development path pursued in each country, which has determined how the MDGs are valued and used, and emphasises the importance of national policy space and the need to avoid 'one-size-fits-all' solutions in a post-2015 agenda:

- **Nepal** has integrated the MDGs into national development plans, but traditional donors have focused on the social sectors rather than supporting the government's own plans to invest in the productive sectors and develop infrastructure. While there is little FDI, over half of Nepal's households receive migrant remittances, which have helped to support progress towards the MDGs.
- The **Rwandan** government has followed a strong developmental agenda in which the MDGs have played a central role. The country has received significant ODA, much of it in the form of budget support, although events in 2012 showed that this aid dependence also creates vulnerability. The government is keen to attract FDI and has made progress in mobilising domestic resources via taxation.
- **Côte d'Ivoire**, one of the most dynamic economies in West Africa in the 1970s and 1980s, illustrates the danger of relying on commodity exports, as was the case then.



Progress towards the MDGs has suffered as a result of subsequent instability, but they remain a government priority and have served to rally donor support, which may signal the international confidence necessary to attract FDI. Interestingly, Côte d'Ivoire succeeded in maintaining high levels of fiscal revenue throughout the crisis period.

- The MDGs have been of limited relevance in **Peru** partly because a national development consensus had already been established before they were adopted, but also because the targets were not particularly challenging. Despite its investment in social protection, Peru remains a highly unequal society, and the extractive industries have been a source of conflict in rural areas. There is scope for greater cooperation with the EU on issues such as trade, regional development and social protection programmes.

Taken together, the case studies illustrate both the diversity of country experiences and the need for flexibility in a new global development framework. Of prime importance is that the consultations in all four countries suggest solid support for a new global framework as long as it is designed to address different needs.

The case studies confirm the fundamental importance of links with the global economy, financial flows, trade, migration and international cooperation, including SSC, in determining national development progress. Equally, they demonstrate that national policy

space is shaped by international trends and policies, and that vulnerabilities can persist alongside development achievements. In other words the 'global partnership for development' of MDG8 is crucial to the development process, pointing to the need for it to be strengthened in a post-2015 framework and underlining the emphasis placed on international drivers in the argument of this Report.

Main messages

The first clear message is that it is important to establish a new framework. The MDGs have set a standard for collective global action, which it is essential to improve on, particularly given the increasing urgency of certain global challenges. The overall goal for the new framework also seems clear: inclusive and sustainable development. In particular, this vision underlines the importance that a new framework should incorporate an analysis of poverty that goes beyond income, and the crucial importance of pursuing a transformative agenda. The eradication of poverty should remain at the centre of a new framework, but there should also be a focus on relative poverty and reducing persistent inequalities. It is also vital to tackle environmental sustainability. This vision cannot be achieved without structural transformation at many levels, including most importantly a strong focus on growth that promotes productive employment. At the same time social provisions will continue to have their place, and taxation, social protection and other redistributive mechanisms will be important.

MAIN MESSAGE 8

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More extensive global collective action is urgently needed.

Achieving the vision of the Millennium Declaration will require considerably greater international collective action through global public policies. Such collective action is essential to establish an international environment that is conducive to inclusive and sustainable development and to tackle global issues that directly affect the ability of individual countries to achieve development outcomes (e.g. in the areas of development finance, trade and investment and migration). ”



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Processes to address global challenges need to be mutually reinforcing.

Several international processes are likely to be required to respond to multiple global challenges and support inclusive and sustainable development. Their effectiveness will also hinge on seeking out complementarities and synergies. It is important that aspects where consensus is harder to achieve do not hold back or jeopardise agreement in other areas. The momentum created by the MDGs is a major asset, which needs to be sustained. Its successor should not attempt to address every global challenge if this might deter continued progress and especially if other existing processes and frameworks are better placed to do so. A post-2015 agreement may best be conceived as a framework that brings together a series of interlocking and mutually reinforcing agendas. »

Global collective action will be vital for a post-2015 global development framework, although at the same time countries need the space to develop their own policies and choose their own development trajectories. A new framework must therefore support national development efforts by creating a conducive international environment that goes well beyond development assistance and recognises the diversity of instruments and mutually reinforcing policies that are required to achieve inclusive and sustainable development. It will be vital to promote policy coherence in the EU and other OECD countries and to step up the mobilisation of development finance beyond ODA. A greater range of sources of development finance needs to be tapped and used more effectively and strategically. At the international level such funds may best be managed as agreed global public goods (GPGs). These various factors underline the importance of promoting better national and international coordination to achieve inclusive and sustainable development. The EU can play an important role in encouraging such joint collective action as well as in contributing knowledge and financial resources.

A post-2015 framework will have to strike several difficult balances, and learn from the experience of the MDGs. It is important to avoid producing a long list of good intentions, so its scope should not compromise its focus and feasibility. Restricting the number of goals and indicators will help to ensure coherence and focus efforts. Yet the vision of the Millennium Declaration and the

overall objective inclusive and sustainable development does point to the need for progress on a number of complementary agendas that are often discussed in isolation. The successful achievement of the overall objective will depend on these processes coming together and reinforcing each other at some point. In order to avoid the danger of overload, and because it may not be possible to make progress and achieve agreement on all of these agendas simultaneously, the post-2015 agreement may best be conceived as a framework that brings together a series of interlocking and mutually dependent and supportive agendas.

Specific action points for the EU post-2015

The EU has been an important supporter of the MDGs in terms both of resources and its willingness to work with international partners. The Union, its Member States and institutions, should continue and further strengthen their commitment to this common cause. In responding to current global development challenges there are four key aspects of the EU's role:

- **ODA levels:** Despite recent efforts, almost no European donors will achieve their pledge, renewed in 2002 at Monterrey, to provide 0.7% of GNI as ODA by 2015. Yet a post-2015 framework will need more development finance and, despite current austerity measures, EU donors should continue to increase ODA levels.
- **Effectiveness:** Even if the volume of ODA remains the same, it is still possible to



increase its impact, as recognised in recent EU policy documents such as the Agenda for Change (2011). The aid-effectiveness agenda and its application to EU policies, programmes and instruments can be applied more thoroughly in many areas.

- Policy Coherence for Development:** It remains crucial to make tangible progress in promoting PCD, which should imply that other policies, such as security or trade, at least do not thwart development, and at best reinforce the aims of EU development cooperation. It is not easy to make progress on PCD and the EU has made more efforts than most, but the impact of these efforts remains limited even in cases where negative impacts for development are most apparent. Having stated its PCD objectives it is important for the EU's credibility to make tangible progress and show results.
- International negotiations:** The EU's international standing and membership gives it considerable potential to contribute to international regimes in support of global public policy goals. A more effective external policy stance could increase the collective influence of the EU and its Member States in shaping international regimes and securing the reform of the global governance architecture. Notwithstanding the difficulties of pushing for global public policies, the EU is in a relatively strong position to foster debate in favour of a development-friendly review of current and potential international regimes.

In the immediate term the EU should develop a strong yet sufficiently flexible common position to participate in the post-2015 debates at the UN and in other appropriate multilateral and mini-lateral fora (e.g. G20, G8). In particular it should use its considerable influence to advocate for a post-2015 global development framework that builds on the Millennium Declaration and the experience of the MDGs, tackling an updated poverty agenda that also seeks to integrate the SDG concerns in order to pursue all three aspects of the objective of inclusive and sustainable development and better reflect the wider needs of the whole international community.

In this context, demonstrating a willingness to look at goals that would apply to Europe and that could be monitored and measured would greatly strengthen the EU's credibility in the debate. The EU may wish to consider pursuing a framework that is truly global, with a range of different goals so that all nations, not just the poorest, are challenged.

MAIN MESSAGE 10

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Over and above its ODA effort, the EU's contribution post 2015 should also be assessed on its ability to promote PCD and promote conducive international regimes.”

The EU's most valuable contribution to a new global framework for development will be in a range of policies beyond development cooperation (e.g. in trade, migration, PCD, knowledge sharing, climate change, promoting global collective action, and contributing to the establishment of development-friendly international regimes) while still maintaining and improving its development cooperation. In particular the EU should adopt internal policies that support inclusive and sustainable development at the global level.”



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MAIN MESSAGES

A NEW GLOBAL DEVELOPMENT FRAMEWORK IS NEEDED

- For post-2015, world governments should agree on a new development framework that builds on the MDG endeavour and takes further the core objectives of the Millennium Declaration.



POST-2015 FRAMEWORK

THE FRAMEWORK SHOULD PROMOTE INCLUSIVE AND SUSTAINABLE DEVELOPMENT

- The design of a new framework should more clearly incorporate dimensions of inclusiveness (e.g. inequality, productive employment) and sustainability (economic, social and environmental). These dimensions should be clearly reflected in the targets and indicators.



THE FRAMEWORK MUST BUILD ON AN UPDATED UNDERSTANDING OF POVERTY

- The new framework should go beyond the \$1.25 a day poverty definition.
- National poverty measures should be taken into consideration.
- Non-income poverty aspects should be better incorporated to capture the multi-dimensional nature of poverty.
- Inequality needs to be addressed.



A TRANSFORMATIONAL DEVELOPMENT AGENDA IS ESSENTIAL FOR THIS VISION

- A new framework should make explicit the need to complement investments in the social sectors (health, education, social protection) with investments in key infrastructure and the productive sectors in order to bring about essential structural changes.



THE GLOBAL DEVELOPMENT FRAMEWORK SHOULD SUPPORT COUNTRY POLICY CHOICES AND DEVELOPMENT PATHS

- All donors, SSC providers and others involved in international cooperation should respect the principles of national ownership and alignment established in the Aid Effectiveness HLF process and most recently confirmed in its Global Partnership for Effective Development Cooperation.



MAIN MESSAGES

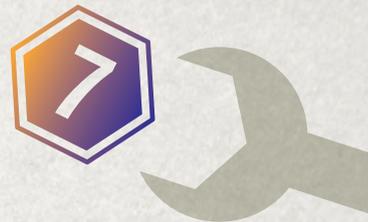
THE DEPLOYMENT OF A BROAD RANGE OF POLICIES 'BEYOND AID' IS ESSENTIAL

- The principle of Policy Coherence for Development should be a core working approach of a new framework.
- The importance of instruments other than development cooperation should be recognised and where possible specified with goals and targets.



A RANGE OF DEVELOPMENT FINANCE RESOURCES WILL BE REQUIRED

- International development partners should support governments in their efforts to raise domestic resources.
- Donor countries should improve the level and the effectiveness of their development assistance.
- Mechanisms should be established to enhance the transparency of all international development finance to improve its deployment.



MORE EXTENSIVE INTERNATIONAL COLLECTIVE ACTION IS REQUIRED

- Greater international collective action is needed to realise the vision set out in the Millennium Declaration. Specific areas in which there is an urgent need to establish or improve international regimes include trade, financial regulation, migration and climate change.



PROCESSES TO ADDRESS GLOBAL CHALLENGES NEED TO BE MUTUALLY REINFORCING

- The international community should establish and observe complementary agreements and regimes to tackle interrelated global challenges that affect development.
- It should explore the possibility of a mixed design for the post-2015 framework, which combines both targets (global and national) and principles.



IN ADDITION TO ODA THE EU CONTRIBUTION POST-2015 SHOULD FOCUS ON PROMOTING PCD AND GLOBAL COLLECTIVE ACTION

- Strengthen trade and investment and labour migration policies' development-friendliness and enhance transparency measures.
- Meet EU commitments on levels and effectiveness of ODA, and strengthen other financial contributions.
- Seek an EU position to participate in post-2015 debates.
- Advocate for a framework that builds on the Millennium Declaration and the MDGs toward an inclusive and sustainable development vision.





MOBILISING EUROPEAN RESEARCH
FOR DEVELOPMENT POLICIES



EUROPEAN REPORT
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