

# GLOBAL DEVELOPMENT GOALS



## Partnerships for progress



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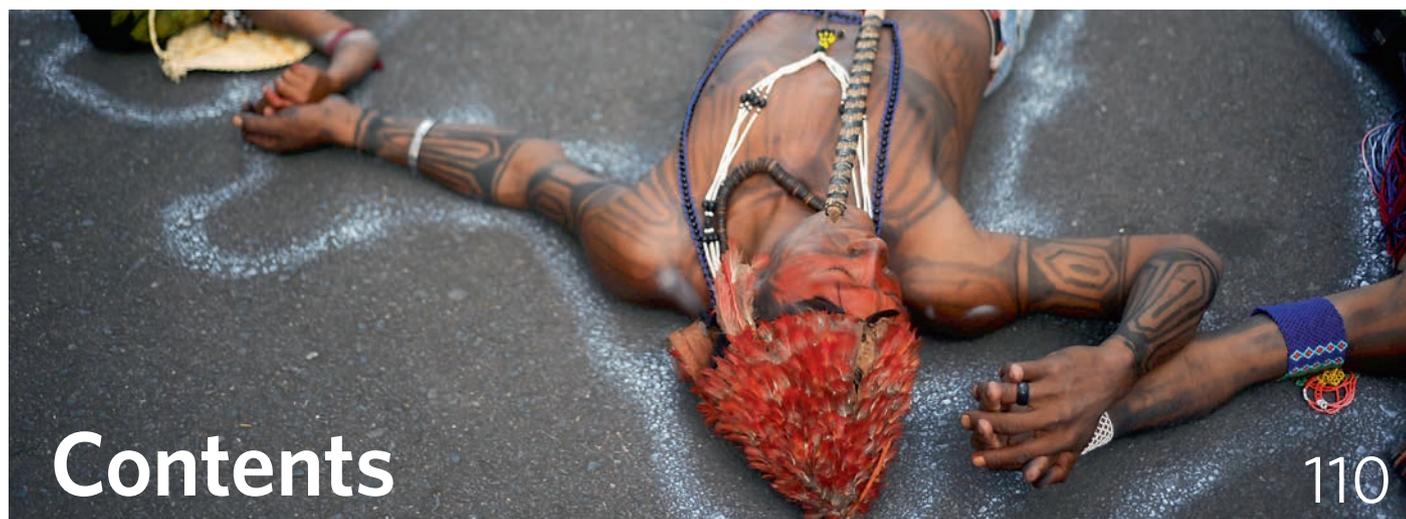
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# A new transformative agenda

*Building on the lessons of the MDGs, the world must now complete the task of ending extreme poverty. The complex and interdependent contributing factors demand a collaborative and innovative response*

By **Jan Eliasson**,  
Deputy Secretary-General of the United Nations

**A**t the beginning of the millennium, world leaders launched an ambitious global mission to reduce poverty and enhance human development. The Millennium Development Goals (MDGs), an eight-point blueprint for a better world, aimed *inter alia* to provide basic education, healthcare and access to safe drinking water and sanitation for the world's poorest people by 2015.

The good news is that during this period the world has succeeded in halving extreme poverty, thanks in large part to economic advances in the developing world, particularly in Asia. Significant progress has also been made towards many of the other MDGs.

Yet, with the 2015 deadline approaching, much more must be done, especially in and for the poorest countries and those mired in conflict. We are counting on Member States, civil society, the private sector and other partners to redouble their efforts in the time that remains. As we look ahead, we may face development challenges that are more complex and daunting than ever before. There are still roughly one billion people living on less than \$1.25 per day, more than half of them living in middle-income countries.

Further, the inroads against hunger and disease will become unsustainable if we do not take measures to slow and eventually halt environmental destruction and climate change. The poorest are the most vulnerable to natural disasters and to extreme weather and climate patterns. Sustained social and economic progress depends fundamentally on the health of our planet and its ecosystems.

Human ingenuity must rise to the challenge and provide solutions. Innovative public-private collaboration will be crucial. The resources of the public sector are outweighed by the vast wealth of

knowledge, technology and finance that exist within the private sector, foundations, charities, NGOs and individuals. While public finance remains critical for helping poorer countries and for creating the right environment for private investment, we must do more to harness these resources.

Member States recently came together at the United Nations in an Open Working Group, as mandated at the 2012 UN Conference on Sustainable Development in Rio de Janeiro, to develop and propose a set of Sustainable Development Goals (SDGs) for the period beyond 2015.

These new proposed goals are aimed at ending extreme poverty in less than a generation. They are also focused on transforming economies, rising global inequalities, climate change, degradation of the Earth's oceans and other ecosystems, and on the key role of institutions and the rule of law in development.

Cooperation and partnerships have played a vital role in our efforts to achieve the MDGs. Partnerships on maternal health, hunger, water, sanitation, energy and education have mobilised knowledge, expertise, and financial and human resources. Such inclusive approaches have also featured innovative mechanisms for financing and accountability. They will remain crucial for the success of the SDGs and the post-2015 development agenda.

It is no exaggeration to describe the gains through the MDGs as the most successful anti-poverty push in history. Our duty now is to build on that experience, take on the unfinished tasks, keep ambition high and arrive at a new transformative agenda that will inspire and mobilise the world.

This will require new levels of investment and accountability, as well as leadership and solidarity. As challenging as this will be, I am convinced that together we can build a peaceful, equitable and sustainable future – a world of dignity for all. ●

◀ Jan Eliasson taking part in a video message for the WASH programme (water, sanitation and hygiene) at Dima Guranda Primary School, Ethiopia

# Delivering on bold ambitions for equity and sustainability

*With strong partnerships and goodwill, we can work for a world free from the tragedies that dominate today's headlines*



© Reuters

By **Helen Clark**, Administrator, United Nations Development Programme (UNDP)

**T**he post-2015 development agenda needs to be bold and transformational if the world is to succeed in eradicating poverty in all its dimensions and in achieving sustainable development.

The next global agenda must therefore not only complete the unfinished business of the UN Millennium Development Goals (MDGs), but also go further to ensure that no one is left behind. Current proposals envisage a world free of extreme poverty, where no child is out of school, and no one is hungry or malnourished. There is broad agreement that it should be a universal agenda, promoting sustainable development which delivers economic and social progress within nature's boundaries.

The level of ambition being expressed by UN Member States and stakeholders and citizens around the world is encouraging. Yet, as the decisive year for negotiations on the new agenda looms, important questions remain. Will the future agenda pursue sustainability based on inclusive, equitable, and peaceful societies? Will it address high levels of inequality and marginalisation around the world? Will it tackle vital issues like the rule of law, access to justice, and accountable governance? Will it address disaster risk reduction and the drivers of conflict?

These are important questions. Human development is not just about lifting people out of poverty. It is about making their escape permanent and enabling them to reach their full potential. Societies which are not inclusive and stable, and which lack resilience to shocks, do experience development setbacks.

In July 2014, the Open Working Group on Sustainable Development Goals, appointed by the UN General Assembly, completed its report on the shape of the post-2015 agenda. It includes a proposed goal to promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable and inclusive institutions at all levels. The targets it recommends include tackling corruption, promoting the rule of law and participatory and representative decision-making, and supporting and enforcing laws against discrimination. There are also a number of useful references to the importance of disaster risk reduction to sustainable development.

The report represents a welcome recognition of the need to address the drivers of long-term development. If the cycle of major humanitarian crises is to be broken, more peaceful, cohesive, and resilient nations that can sustain development progress need to be built. Significant deficits in governance, major inequalities

and exclusions, and unmitigated exposure to natural disasters are setting countries back time and time again. But these deficits can be tackled.

Prioritising these areas in the post-2015 agenda would be a major step in the right direction. UNDP knows that progress on these matters is possible. Many countries, with UNDP assistance, are expanding access to justice; establishing more effective institutions; conducting fair and transparent elections; promoting open dialogue with civil society; strengthening parliaments; and meeting their human rights obligations. We see this work as an investment in development, peace, stability and prosperity.

### **So where next for the post-2015 agenda?**

The Open Working Group report is an important step on a long journey. The UN Secretary-General will now produce a synthesis report on the post-2015 process so far. Member States will begin their negotiations. The aim is to have a new agenda for world leaders to sign in New York in September 2015.

I am proud to have been among those Heads of Government who signed the Millennium Declaration in 2000, which led to the MDGs. As the current generation of leaders strives to agree a new agenda, the magnitude of their task should not be underestimated. We live in a multipolar world with many fractures.

## ***The world needs a sea change in inclusive and effective governance, equity, human rights, and the rule of law***

Multilateralism is under a lot of pressure. It has not proved easy to negotiate outcomes in major multilateral trade and climate talks – to mention only a few examples. Many of the key issues involved in building peaceful and cohesive societies and the rule of law are considered controversial in some quarters. The ongoing resistance by some to the full empowerment and equality of women, for example, or to sexual and reproductive health and rights, is disturbing.

It is my hope that with strong partnerships and goodwill, we can work to create a world where we no longer see complex emergencies and crises like those of today dominating our headlines. To achieve that, the world needs a sea change in inclusive and effective governance, equity, human rights, and the rule of law. It is to be hoped that the post-2015 agenda can contribute to achieving that. ●

◀ Rescued migrants from sub-Saharan Africa on board an Italian naval vessel in the Mediterranean Sea, south of Sicily

# A duty to society

*In the post-2015 era, companies everywhere must do more of what is socially just and sustainable, and put an end to what is not*



© Reuters

By **Georg Kell**, Executive Director, UN Global Compact

**A**s the UN embarks on the unique project to design a set of global development goals that will meet the dual challenges of overcoming poverty and protecting the planet, this process provides a historic opportunity to shape how business operates and contributes to sustainability in the coming decades.

Now, the challenge is to transition from incremental progress to transformative impact on markets and societies. Doing so will require aligning and scaling up corporate sustainability efforts within a global architecture designed to drive business action and partnerships on a massive scale. The UN Global Compact is among the UN entities holding consultations on the post-2015 development agenda, to engage business participants and key stakeholders in its development and implementation leading up to 2015 and beyond.

#### **A global movement toward sustainability**

The post-2015 development process occurs at a moment of transition for much of the business community. A global movement is underway, changing markets from within. In an interdependent and transparent world, it is increasingly true that long-term financial success goes hand-in-hand with social and environmental responsibility and sound ethics.

Environmental, social and governance challenges affect the bottom line. Market disturbances, social unrest and ecological devastation have real impacts on business *vis-à-vis* supply chains, capital flows and employee productivity.

As traditional boundaries between public and private goods have become blurred in a globalised world, business is expected to do more in areas that were previously the exclusive domain of the public sector – ranging from health and education, to community investment and environmental stewardship. As planetary limitations put a premium on natural goods such as air, water and biodiversity, fundamental questions of valuation and accounting are gaining relevance. This will only intensify the strategic nature of the movement.

Understanding that business can no longer simply outsource responsibility and in-source economic benefits, corporate foreign direct investment (FDI) has undergone a transformation. Not long ago, companies invested to source cheap inputs from the developing world. As economic growth has migrated to the East and South, companies are increasingly evolving from being resource takers to market builders, where they have a direct stake in building healthy societies.

More and more companies see themselves as stakeholders in these societies for the long run, knowing that they cannot thrive in societies that fail. Thus, issues like skilled labour, rule of law and resource scarcity are understood by business to be strategic for long-term success.

As a result, there is now an expanding group of enterprises whose policies and behaviour are directly linked to sustainable development. Fundamentally, they recognise that what is good for societies and the planet is also good for business.

#### **Scaling up action**

At the UN Global Compact Leaders Summit 2013 in New York, an ‘architecture’ was unveiled to engage companies large and small to advance the post-2015 agenda. Individual companies, investors, governments and civil society all have a role to play when it comes to scaling up business action and contributing to sustainable development. The building blocks of this Post-2015 Business Engagement Architecture set a foundation for long-term value for both business and society, and turning business into a truly transformative force in the post-2015 era.

Business co-investment and collaboration in solutions that produce shared value for business and society will be key to scaling up corporate sustainability. A proliferation of networks and initiatives has emerged in the past decade designed to spur action and support collaboration among companies.

Organisations like the UN Global Compact, Global Reporting Initiative, World Business Council for Sustainable Development and others, which facilitate collaboration and collective action among companies and other stakeholders based on issue, sector and/or geography, can provide meaningful platforms for action and partnership on the path toward bringing business engagement to scale:

- **Issue platforms:** Companies are collaborating to tackle major societal challenges through issue platforms and initiatives – for example on gender, peace, climate, water, food and children’s rights. By pooling resources and sharing risks, issue platforms represent one of the key means by which companies can come together to collaborate and co-invest in solutions to shared, systemic challenges. Our Caring for Climate initiative and Women’s Empowerment Principles are the largest business-led platforms in their respective areas – bringing more than 1,000 companies to the table.
- **Local networks:** The Sustainable Development Goals (SDGs) will likely place even greater emphasis

◀ A child plays in foam on a polluted canal in Jakarta, Indonesia. One way that companies can address societal problems is through issue platforms, such as on water quality



▲ A survivor of the Rana Plaza factory collapse. The disaster, which killed more than 1,130 people, was one of a series to hit the Bangladeshi garment industry. In response, the Accord on Fire and Building Safety in Bangladesh, a legally binding agreement to protect workers' safety, was set up between labour organisations, NGOs and textile retailers. More than 1,600 factories are covered by the accord

on national implementation than the Millennium Development Goals did. Multi-sector, responsible, business-led councils like the Global Compact Local Networks have the potential to apply post-2015 elements to a country-level analysis of policies and tactics. As such, they can lend notable assistance to governmental decision-making. This local implementation of global goals will also place emphasis on engaging small and medium-sized enterprises and upgrading their capacities.

- **Technology-powered partnership hubs:** Technology-based platforms can add scale to partnership efforts by facilitating more effective matchmaking and sharing of information – thereby delivering significant multiplier effects and accelerating the rate of change. Partnerships can leverage technology and unite parties around specific projects and solutions that can be rapidly scaled up by sector, issue and/or geography. The UN Global Compact Business Partnership Hub utilises digital technology and map-based analytics to

facilitate partnerships in the areas of anti-corruption, climate and energy, social enterprise, water and UN-business, with more than 250 projects and 300 organisations connecting online.

UN-led multi-stakeholder initiatives, in which the UN Secretary-General has taken the lead on engaging business and investors with government, philanthropy and civil society in areas such as women's and children's health, sustainable energy, and food and nutrition; and business-sector initiatives, where companies in various industries jointly tackle sustainability challenges specific to their sector, are also energising business and helping to scale up engagement and investments from all participants.

### Toward 2015 and beyond

In order to make continued progress, companies everywhere must do more of what is sustainable and put an end to what is not. Corporate sustainability should be firmly embedded in the DNA of business culture and operations. And companies will need to push beyond first-mover approaches and embrace partnerships and collective action initiatives that unite peers and other stakeholders. Co-investing will allow companies to share the risks in navigating systemic challenges that no single company can overcome, such as corruption or water scarcity.

Decisions by business leaders to pursue sustainability can make all of the difference. The good news is that enlightened companies – which comprise major portions of the global marketplace – have shown that they are willing to be part of the solution and are moving ahead regardless. What is clear is that they will only get so far unless actions are taken by a range of actors.

On a promising note for the future of the business-society union is that, of 1,000 Global Compact CEOs surveyed last year, 84 per cent believe that business should play a leading role in addressing global priority issues.

Hopefully, business will have an enormous opportunity to 'make good' on this commitment, as the SDGs are likely to call for even greater transformation in how the world collaborates on shared priorities. The post-2015 agenda has the power to spur action by all key actors, with the private sector having an important role. These goals and targets could result in a framework for businesses to measure their own sustainability progress and help them establish corporate goals aligned with global priorities. To ensure their success, we must work together to make responsible business a transformative force in achieving a shared, secure and sustainable future. ●



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# A movement to save the world

*To address the challenges we face and realise our vision of sustainable development, we need to build one of the largest, most comprehensive and sustained political campaigns we have ever seen*

By **Ricken Patel**, Founder and Executive Director of Avaaz

**S**ome 70 per cent of people believe the greatest challenges that humanity has ever faced are converging right now. Many experts agree, with thinkers like Jeremy Rifkin giving humanity a 50/50 chance of survival over the next century. With global warming alone, we are rushing headlong into catastrophic feedback loops and tipping points in our climate system that could threaten human life on earth.

At some deep level, I think we all know how enormously fragile, delicately interdependent, and dangerously unsustainable the civilisation we've built is. And that saving it is going to need all of us to do better than we have. Choosing love over fear more often in our individual lives, collectively embracing a politics of community and cooperation over demonisation and division, and raising our consciousness to higher levels to understand all the vastly complex ways in which our fates are intertwined, not just with each other, but with the natural world.

Tremendous progress has been achieved over the past few decades. Democracy, poverty, literacy, the status of women, incidence of war and deaths in war, even crime rates are improving at breakneck, historic pace. Our levels of education and emotional intelligence are rising fast. There is every reason to hope.

But we are at a tipping point. The world is threatened by multiple crises that require collective action. They could split us apart or bring us together like never before. Unless we offer a viable vision of community and cooperation that delivers the vision and results that people need, there is another kind of politics waiting. The old politics of demonisation and division that blames the 'other' for the insecurity we feel. That way, lies disaster.

It's the challenge of our time to meet this moment with the best within us, and we can. The vision put forward by the UN High-Level Panel on the Post-2015 Development Agenda is a beautiful one, and one I believe the vast majority of people share. But now comes the hard part: getting our governments to get behind this plan, first rhetorically, and then with actual budgets and political will. And to stay behind it until the job is done.

To make that happen, we need one of the largest, most comprehensive and sustained political campaigns the world has ever seen. One that captures public imagination like never before.

It won't be a single campaign or coalition that does this, but a vibrant network of governments, NGOs, businesses and individuals that come together around

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## ***Now comes the hard part: getting our governments to get behind this plan... with actual budgets and political will***

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this shared vision and coalesce into fit-for-purpose groups as needed, to seize opportunities and meet threats. These groups will need to use every tactic in the book, because that's what entrenched interests who oppose progress will be doing. The threads that tie all this together likely won't be a single brand, but memes and narratives that define and embody the zeitgeist.

One popular meme, often offered tongue-in-cheek, is the idea of saving the world. It's a narrative deep in our psyche, the theme of many of our most popular epics. But if ever there were a time to use this meme and its power in all seriousness, it's now. It's time for a movement to save the world. ●

◀ Refugees displaced by recent fighting queue to collect food rations in the town of Mingkaman, South Sudan, a country where some 4.9 million people are in need of humanitarian assistance due to violence and unrest



© Reuters

# From global goals to global action

*To date, more than a million people, governments and organisations from across the world have contributed to drafting Sustainable Development Goals. We must maintain and increase this engagement as we plan how to make the Goals deliver*

By **Sir Jeremy Greenstock**, Chairman, and **Natalie Samarasinghe**, Executive Director, United Nations Association - UK (UNA-UK)

**2**014 marks the centenary of the First World War and the 75th anniversary of the renewed outbreak of conflict in 1939. The experience of two ‘wars to end all wars’ in one generation spurred governments, even as they were still fighting, to begin to lay the foundations for peace. In 1945, the United Nations was born, conceived as a means for states to solve their disputes and to tackle problems collectively.

The immediate challenges were immense. Large swathes of Europe and Asia had been reduced to ruins. Millions were homeless and starving. Living standards in what had been some of the wealthiest countries were pushed back by over a decade.

War remains the greatest wrecker of development. Conflict-affected states take up most of the places at the very bottom of the UN Development Programme’s Human Development Index. They lag, or have fallen behind, on many of the Millennium Development Goal (MDG) targets. People in conflict-



◀ Children swim in a water-filled bomb crater in Aleppo, Syria. The brutal civil war has put the country back 35 years in terms of development

affected countries are more than twice as likely to be undernourished than in other developing countries and to see their children die before the age of five. Syria's brutal conflict is said to have put the country back by 35 years in development terms.

The UN's mission has always been about development as much as peace. Today, it faces many of the challenges it confronted in its early years – big power tensions, disease outbreaks and the largest number of refugees since 1945. The main difference, other than climate change, which is no longer 'existential threat' but 'existential reality', is our interconnectedness.

It is often said that we live in a 'global world', where events in any one country have the potential to affect others. According to the 2011 World Development Report, countries lose 0.7 per cent of their annual GDP for each conflict-affected neighbour. Crop failure in Thailand could trigger rice shortages in Nigeria. A flood in Bangladesh could affect the clothing industry around the world. Investing in least-developed countries, meanwhile, could contribute significantly to global economic growth.

Our global world has given us strengths as well as vulnerabilities. The most serious challenges we face cannot be solved by any one country alone. There is great power in our collective capacity to think and act, particularly through our global institutions. The achievements of the MDGs, listed throughout this volume, are an example of that. But as our contributors also argue, we can and must do better. Creating peaceful, prosperous and sustainable societies will benefit us all.

One major criticism of the MDGs was that they were conceived behind closed doors at the UN with little input from governments, experts and practitioners, let alone the people they were intended to serve. This is certainly not the case with the post-2015 development agenda.

To date, over one million people have taken part in physical and online consultations on priorities for the next set of development goals. This has been supplemented by government, business and civil society meetings on everything from the needs of small island developing states to the development concerns of indigenous peoples.

UNA-UK's own contribution to the process included the first edition of *Global Development Goals*, which analysed the successes, gaps and challenges of the MDGs to produce ideas on how to improve their successors. This new publication shifts the focus from 'what' to 'how', with sections on financing, delivering results, sharing knowledge, widening participation and moving towards a development agenda that is truly shared, in terms of responsibilities and benefits.

These various strands were partially, and many would say unsatisfactorily, addressed by MDG 8 on a global partnership for development. One key element of the proposals put forward by the Open Working Group on Sustainable Development Goals (SDGs) is the significant expansion of the global partnership goal and its relative importance.

In their pieces, Amir Dossal, Michael O'Neill and Darian Stibbe set out why 'partnerships' – a word that means very different things to different people – will be essential to realising the ambitious vision contained in the draft SDGs, but only if they work and deliver to everyone's advantage. Mark Moody-Stuart and Anthony Hilton make the 'business case' for private sector involvement, while Martin Chungong, Sharan Burrow and Mariana Rudge look at parliamentary, labour and civil society engagement.

Talaat Abdel-Malek, Sylvie Aboa-Bradwell and Cephas Lumina strike notes of caution, challenging concepts such as aid and cooperation, and mechanisms like debt relief initiatives. Gunilla Carlsson, meanwhile, puts an institutional challenge to the UN, asking



◀ Globalisation means that national or regional disasters have worldwide impacts: floods in Bangladesh could affect the global clothing industry

whether our global system is capable of delivering on the goals.

Ideas for what we should do on tax, trade, remittances and data come from Jo Marie Griesgraber, Arancha González, Laura Thompson and Nancy McGuire Choi. Practical examples come from Brahim Sanou on ICTs, Faraj El-Awar on water partnerships and Veena Khaleque on community knowledge sharing in Bangladesh.

In our final piece, Richard Jolly looks ahead to the negotiations and to the role of Europe. Perhaps the most important shift from MDGs to SDGs is that the new agenda will be universally applicable. How will wealthy countries like the UK approach targets such as halving the proportion of those living in poverty according to national definitions? Or halving per capita food waste at the retail and consumer level? The UN Food and Agriculture Organization estimates that consumers in rich countries waste almost as much food as the entire net food production of sub-Saharan Africa.

UNA-UK believes that the UK can build on its strong development record by leading by example and encouraging others to embrace the universality of the new framework. It should also continue to push for a progressive set of SDGs, with human rights and good governance at its heart, as well as clear targets to address inequalities and specific actions for vulnerable groups, including monitoring processes that better track their progress.

Developed and developing countries alike should use the coming months to focus on the global partnership, looking at financing; the roles and responsibilities of governments, business and civil society; and the institutional developments and mechanisms needed to deliver the new framework, including how it will complement and reinforce UN climate change processes.

In all of this, states must not lose sight of the need to support and strengthen our global system itself, with the UN at its heart. Global instability makes it tempting to turn inwards and focus on problems closer to home. But our challenges are shared and domestic issues increasingly have a global dimension. Any vision for the SDGs must be underpinned by investment in our institutions.

Finally, all of us must play our part in ensuring that states focus on the practicalities of implementing the new development agenda, without losing the vision and ambition the world needs. ●

## Leading by example

To date, the UK has been a leading player in the SDG process, with the Prime Minister serving on the High-Level Panel on the Post-2015 Development Agenda. The UK has also led by example by becoming, for instance, one of just a handful of countries to meet the longstanding UN target of allocating 0.7% GNI to development assistance.

The UK can build on its development record and multiply its impact by ensuring its own best practices are reflected in the new goals, by setting an example in terms of rich-country responsibilities and by promoting coordination among UN frameworks.

UNA-UK believes the UK should:

- Set out its vision of the institutional reforms needed to underpin the new agenda, including clear commitments to strengthen the UN.
- Encourage the post-2015 meetings on financing to produce clear recommendations on traditional and non-traditional sources of funding.
- Champion opportunities and mechanisms for ongoing public and parliamentary involvement in local-level design, delivery and monitoring of the SDGs.
- Call for early discussions on how the SDGs will relate to and reinforce the global climate agreement due to be adopted in 2015.
- Embrace the universality of the new SDGs framework and lead by example, including by committing to outline its plan to achieve relevant targets in the UK context.

1 billion people have no choice but to defecate outside, onto the ground and in full view of other people.

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## Financing development goals

*The Millennium Development Goals, which were radical in their ambition at their inception, have achieved more than most could have imagined. The Sustainable Development Goals aspire to much more: poverty eradication, social equity and environmental sustainability*

By **Mahmoud Mohieldin**, Corporate Secretary and President's Special Envoy on the Millennium Development Goals and Financial Development

Until the Millennium Declaration was endorsed by world leaders at the UN in September 2000, few dared to imagine goals such as eradicating extreme poverty and hunger, universalising access to education, or reducing child mortality could be possible. With fewer than 500 days left until the end of 2015, the world has already made notable progress

towards achieving the UN Millennium Development Goals (MDGs).

Indeed, the goal of halving the number of people living on less than \$1.25 per day has been achieved with 700 million fewer people living in extreme poverty by 2010 than in 1990. This is despite a significant increase in global population. Some 2.3 billion people have gained access to improved sources of water, the living conditions of 100 million slum-dwellers have been improved, and gender disparity between girls and boys in primary education has been reduced.

Despite these achievements, progress on the MDGs has significantly varied across and within countries. It has been slower in countries affected by conflict, economic and environmental shocks, and weaker policy frameworks. Poverty rates remain the highest in countries in sub-Saharan Africa and South Asia, while 70 per cent of the extreme poor are concentrated in just 10 countries. Within countries, poverty tends to be concentrated among ethnic minorities, women, people with disabilities or certain geographically disadvantaged areas. Inequality of income

◀ Refugees displaced by fighting between the Congolese army and M23 rebels in the eastern Democratic Republic of Congo (DRC). The DRC has one of the highest poverty rates in the world and is home to 5% of the global extreme poor

and opportunity remain a challenge for all countries, including high-income ones. There is still much to be done.

### A comprehensive vision

Growth has been a major driver of poverty reduction, and was instrumental in halving poverty in the last 20 years. Going forward, the effect of growth rates on poverty will diminish. Sustaining historic growth rates will not be enough to eradicate extreme poverty. In addition, growth is often accompanied by environmental degradation, which diminishes human health and quality of life, threatens water supplies, and compromises ecosystems, impeding growth for future generations. Moreover, short-term growth that erodes natural capital may be vulnerable to boom-and-bust cycles, and cause people who live close to the poverty line to fall far below it.

The post-2015 development agenda promises to accelerate the MDGs' progress and formulates a more comprehensive vision of environmental, social and economic equity. The proposed Sustainable Development Goals (SDGs) encourage every country to take charge in eradicating poverty, promoting sustainability, and protecting the natural resource base of social and economic development.

These goals will not be achieved with a business-as-usual approach. Success will depend on world leaders' ability to apply lessons from past experience to develop effective policies and programmes, and find ways to finance them.

In a 2013 report entitled 'Financing for Development Post-2015', the World Bank Group points to four foundational pillars of development financing: better and smarter aid, domestic resource mobilisation, domestic private finance, and external private finance.

Overseas development assistance (ODA) will remain an important source of development finance, especially for the

poorest countries, where it constitutes more than 40 per cent of government budgets. While the 6.1 per cent increase in ODA in 2013 is encouraging, there is concern about the recent decline in aid flows to low-income countries. ODA to sub-Saharan Africa has dropped for two years in a row: down by eight per cent in 2012 and by four per cent in 2013. There was also a fall in ODA to the least-developed countries. A further increase in ODA is critical to reinforce its role as a stable source of financing for countries with the least access to financial resources. Efforts to ensure aid effectiveness and a much more catalytic role for ODA need to continue.

### Creating the right climate

It is at the national level, however, that we need to see far greater mobilisation of resources, domestic and external. Developing countries need to take the lead in mobilising the domestic resources that represent the largest pool of funds available to them. In 2012 alone, \$7.7 trillion in domestic resources were mobilised, largely through taxes, customs duties, and natural-resource concessions.

While developing-country revenues have grown 14 per cent annually since 2000, average tax revenues in the poorest countries stand at only 10-14 per cent of GDP, compared to 16-20 per cent in middle-income countries and 20-30 per cent in high-income countries. There is clearly scope to increase taxation capacity, especially in low-income countries, and improve the efficiency of public spending. Development partners can be a great help by supporting capacity building for reforms in these areas. Resource-rich countries need to ensure that they derive the best possible development impact from agreements with private investors in extractive industries.

Governments also need to create an investment climate that allows the private and financial sectors to flourish, recognising that a dynamic private sector is the locomotive of job creation and economic development. Developing financial institutions and markets facilitates economic growth by mobilising savings

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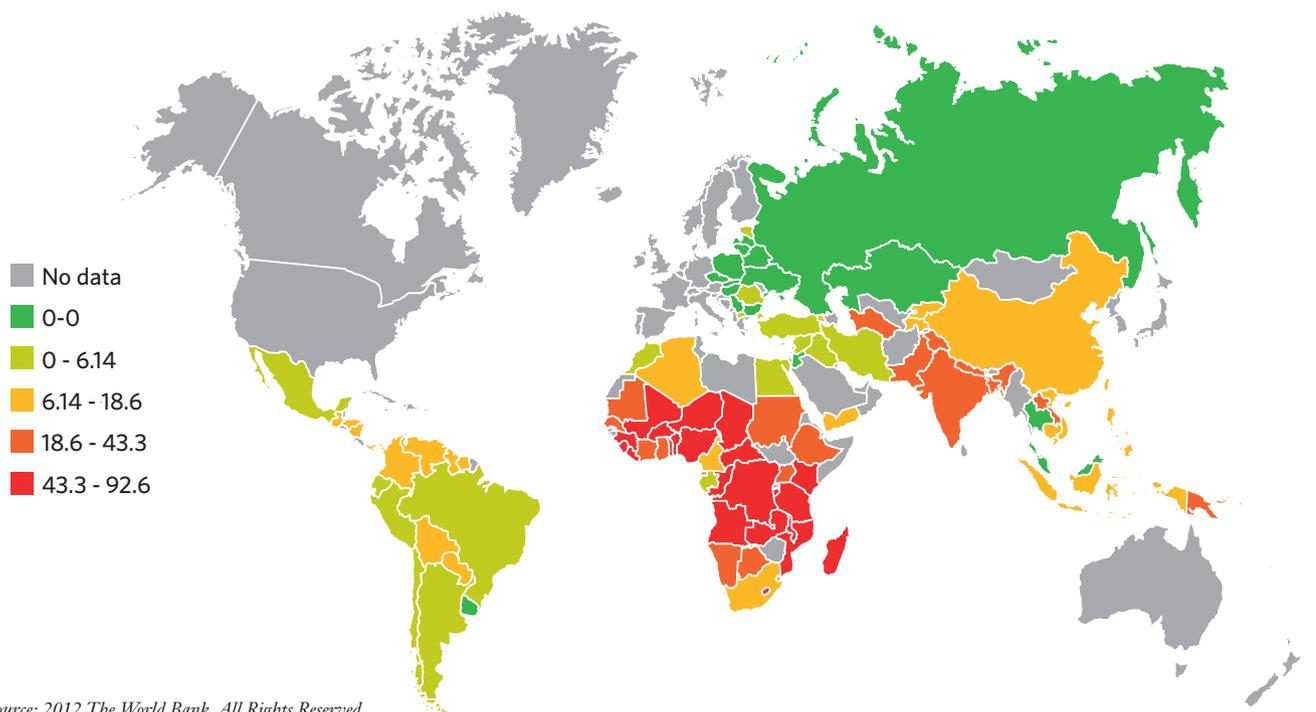
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**Figure: Poverty headcount ratio at \$1.25 a day (2005 ppp) (% of population) (Year 2012)**



Source: 2012 The World Bank, All Rights Reserved

and allocating them to the most productive uses. Improving financial inclusion enables better access to finance for small firms and households. The private and financial sectors can help by behaving as responsible corporate citizens, fostering inclusion and creating equitable opportunities. Countries also need to have capacity to mobilise more external private financing, including for much-needed infrastructure investments.

Over the past decade, many developing countries have increased their ability to access international capital markets. However, considering that global savings amount to \$17 trillion and liquidity is at an all-time high, more could be done to attract greater resources for investments in developing countries.

Appropriate regulations and infrastructure are needed to develop bankable high-quality infrastructure projects. The availability of financial risk-sharing instruments, with the support of multilateral development institutions, can help catalyse and draw in private financing. Finding solutions to attract financial resources from large institutional investors

will be essential to scale-up development finance, and is an important challenge for post-2015 development financing.

Inadequate financing for global public goods – such as the control of disease and measures to address climate change – has disproportionately harmed the world's poorest people. Examples exist of excellent solutions for global finance. The International Finance Facility for Immunisation, for example, receives long-term pledges from donors that have underwritten 'vaccine bonds' sold in capital markets, generating major funding for immediate use by GAVI, the global vaccine alliance. Such innovation is critical to maximise available resources.

Multi-stakeholder financing partnerships can help increase mutual accountability on the achievement of the post-2015 goals. Countries need to set their own national development strategies and priorities before engaging the private sector, civil society and others, with the support of development partners.

The forthcoming International Conference on Financing for

Development in Addis Ababa, Ethiopia in July 2015 – a follow-up to the Monterrey Consensus and Doha Declaration – will be an extraordinary opportunity for global financial leaders to combine their efforts within a common understanding on financing challenges and needs for implementing the post-2015 development agenda. It will also be a timely and unique platform for discussions on finance across governments, international financial institutions, development partners and the private sector.

To achieve the greatest combined impact, they must each bring their respective strengths and act in partnership, to scale-up towards financing the transformative development envisioned by the UN Open Working Group in its recently released proposal for SDGs. The World Bank looks forward to playing its financing and partnership role and to working closely with countries and other partners to ensure the right policy and investment conditions are established that are most likely to drive the creation of jobs, and sustainable and equitable growth. ●

# Thinking differently: innovating to improve global public health



## Beyond the Millennium Development Goals

The global health community has made great strides in advancing global healthcare over the past decade. Improved technologies have allowed us to forward medical breakthroughs, while novel organisations and policies have put these tools into the hands of more people in need than ever before.

The UN Millennium Development Goals (MDGs) have played a key role in the progress we have made. With targeted, quantifiable objectives, the MDGs have served as a powerful force, bringing together public health stakeholders from all sectors unified by a common cause.

But the world is changing around us every day. The global health community must work to accommodate the dynamic essence of public health challenges. The 2015 deadline for achieving the MDGs is fast approaching, yet the world is on track to meet only a portion of what we had set out to accomplish. This collective shortcoming signals the need to think differently. Going forward, we must find new models of thought and action that extend beyond convention to create novel health solutions, breaking down the barriers to scientific discovery and access that preclude health for all.

## Janssen Global Public Health: working collaboratively towards change

At Janssen Global Public Health (Janssen GPH), we are approaching seemingly intractable health challenges in new and creative ways. Everything we do is based on an 'out-of-the-box' approach - from research and development to access and policymaking - with the understanding that we need to create actionable solutions to improve health worldwide.

Collaboration is a powerful driver of change. Our company has a long legacy of working with partners to improve health. We are fully committed to innovating and getting our tools to health systems and patients through diverse - and sometimes unexpected - channels. We are working in direct partnership with domestic and global researchers, implementers, and policymakers across sectors to deliver on our promises and to maximise our impact.

- Research & development.** Our dedicated teams of scientists and researchers are driven to create and deliver tailored therapeutic solutions to meet local needs. Through collaboration, we are working to alleviate suffering affiliated with diseases that disproportionately affect people living in resource-limited settings, including multi-drug resistant tuberculosis, HIV, and neglected tropical diseases.

- Expanding access to all.** Beyond the laboratory, we are reimagining how we can sustainably deliver our medical tools to those in need. We have devised innovative pricing schemes, results-based financing mechanisms, and commercial access models to enhance access to our HIV and TB medicines for patients in resource-limited and emerging markets.
- Strengthening health systems.** We are also creating sustainable, long-term solutions based on country ownership and accountability for health services and outcomes. Working with local governments in public-private partnerships will not only allow us to get our health innovations to patients, it will also help build local capacity. Our partnerships strengthen local health systems through medical education sessions on appropriate use of our medicines; disease management programmes that integrate comprehensive health solutions into local systems; and a pediatric HIV treatment initiative that builds awareness and action around the important issue.

## Our call to action

At Janssen Global Public Health, we are a new model of collaboration and innovation. We want to improve health for people everywhere by pushing the boundaries of medicine. Our approach is constantly evolving to meet the changing needs of health systems and the patients we serve.

We believe there are countless possibilities ahead for us to make a meaningful difference in public health and a multi-sector, collaborative approach is the best way forward. We must be ambitious, creative and proactive - both for the long-term sustainability of our efforts, and more importantly for the people we are working to help. We are thinking - and acting - differently to advance health for all. Together, we can create a healthier world. ■

*The content of this piece is written and supported by Janssen Pharmaceutica N.V.*



# Aid for development, not influence

*Historically, the effectiveness of aid has been undermined by its use as a foreign policy tool. How must the aid relationship change in order to yield better development outcomes?*

By **Dr Talaat Abdel-Malek**, former chair, OECD/DAC Working Party on Aid Effectiveness, Paris; retired senior adviser to Ministers of Planning & International Cooperation, Cairo, Egypt

The debate on development aid has been long and contentious, involving ever more stakeholders and examining new issues for over six decades. Much has been written about the urgent need to change mindsets as a prerequisite for achieving real improvement in aid effectiveness. Although the title refers to donors, this article argues that such change is needed on both sides of the aid equation.

First, a word on the term ‘donors’. Throughout this article, the formulation ‘aid providers’ is used, to reflect the fact that development aid has never been a straightforward donation. Influence *per se* does not necessarily have a negative impact on development. We must distinguish between positive and negative types of influence.

It is unrealistic to think of development aid (or the development process for that matter) as devoid of political and other influences exerted by aid providers and recipients alike. It is recognised that development is a multi-dimensional, political-economic-social process, rather than one where actors pursue mutually consistent goals and approaches in managing aid.

Much of this article deals with negative influences. But an example of positive influences on development is reflected in the successful initiatives to establish partnership-type relationships between providers and recipients (replacing traditional top-down donor-recipient models) to ensure better aid harmonisation

and alignment to the recipient’s priority goals. Another example is the influence by a few recipient countries to persuade their aid providers to use reformed local systems in lieu of providers’ parallel implementation units, which are costly and undermine recipients’ ability to build robust institutional capacities.

These influences are the outcome of better mutual understanding and trust between the two sides and combined political will to carry out pledges.

## Factors undermining aid effectiveness

The factors negatively impacting aid effectiveness are found in recipient and provider countries. The most important among these on the aid providers’ side are:

- the use of aid as a foreign policy tool;
- reluctance to untie aid;
- lack of transparency in aid allocation and management;
- lack of medium-term predictability of aid commitments;
- recycling of aid money through continued use of costly provider-based consultants;
- interventions in recipients’ use of aid funds; and
- evaluating aid results based on monies disbursed and outputs that these funded (number of schools or medical clinics built) instead of assessing aid’s contributions to sustained development outcomes.

On the recipient side, issues include:

- lack of clear development goals and priorities;
- overly ambitious goals relative to available resources;
- weak institutional and human resource capacities;
- corruption;

- poor oversight and audit institutions; and
- lack of stakeholder participation in development processes – including restrictions placed on civil society organisations in performing as development actors close to society’s grassroots.

In fragile states, these factors are aggravated by insecurity, local conflict, breakdown of state institutions and inability to provide essential services.

Active on both sides are powerful lobbyists and those interested in maintaining the status quo to defend their narrow interests. A few examples illustrate how these influences affect aid effectiveness.

Insistence to tie aid flows to a provider-set human rights agenda has not only diverted limited recipient resources from more urgent priorities, but also failed to produce sustainable improvement in human rights performance. This is not to contest the relevance of human rights to sustainable development, but to illustrate that this and other agendas not embraced by the recipient country are bound to fail.

The blanket application of the World Bank Poverty Reduction Strategy Program has backfired in cases where local contexts were not duly noted, subsequently leading the Bank to admit failure. Technical assistance practices focusing on human resource training and *ad hoc* policy advice, claiming to support capacity building, showed modest results after hundreds of millions of dollars/euros had been spent.

Training was often conducted as a standalone activity rather than part of an institutional development plan, with the result that many trainees sought better-paying jobs elsewhere in the country or abroad.



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Examples on the recipients' side are no less prevalent. Political leaders siphoning off aid money, extravagant expenditure on ceremonies, missions abroad in the guise of study tours, and purchase of luxury vehicles for senior officials not only waste scarce foreign exchange funds, but fly in the face of massive poverty, which is supposedly the top priority in using aid money.

Frequent political interference, fuelled by pressure from vested interests, in technical decisions on development projects derail their objectives and implementation and lead to poor project outcomes. Weak development planning and implementation capacities, inadequate monitoring of results, and failure to take ownership and assume leadership of the development agenda lie at

the heart of many a lacklustre performance of development aid.

### Redirecting development aid

While the above examples are based on real experiences and supported by much evidence, the good news is that the past dozen years have witnessed a change, albeit slow, in mindsets to address long-standing challenges to aid effectiveness. And 'it takes two to tango' for lasting change to be achieved.

Many recipient countries have moved toward better governance, instituting more realistic development goals and strategies; reforming public financial, audit and procurement systems; and setting clear aid priorities, in consultation with aid providers.

▲ A woman carries US food aid distributed by UN World Food Programme staff in South Sudan. US aid is still largely tied, although recent legislation has created more flexibility

Surveys by the Development Assistance Committee of the Organisation for Economic Co-operation and Development have repeatedly acknowledged the healthy pace of these reforms while pointing out that most aid providers are lagging behind. Definite progress has been achieved in the untying of aid, with some providers boasting that 80 per cent of their aid is untied. The Scandinavians have led the pack by untying virtually all their aid years ago.

But the percentage of untied aid does not tell the full story. A provider's unofficial

powers of suasion can prevail to maintain old procurement ties and continued use of old-time expatriate experts. Providers alone cannot take the blame for this. Recipients must accept their share for failing to 'say no'.

More progress has been recorded in initiating mutual accountability systems, creating a platform for dialogue between recipients and their partners in reviewing results and agreeing on remedial actions.

While in its infancy, this initiative is particularly promising in that it enhances mutual trust and greater openness in addressing bottlenecks to aid effectiveness. The work of the UN Economic and Social Council Development Cooperation Forum (DCF) over the past few years has helped obtain a clearer picture of the state of play in countries surveyed.

### A change in mindsets

Looking ahead, progress is needed in other critical areas, including greater transparency and more predictability in aid allocations and management, more delegation to providers' country office staff, and more harmonisation among providers in organising missions to assess needs, carry out studies and evaluate project impact.

Similarly, aid fragmentation remains an issue that taxes recipients' ability to manage funds received. It is caused by providers' insistence on earning credit for their aid



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insufficient change in mindset by leading players. This is required to make a lasting difference and encourage others to follow their lead. Ultimately, aid for development is the outcome of genuine interactions between a recipient and its aid providers.

The momentum generated by impressive reforms in many recipient countries calls for reciprocity on their providers' side. No longer is aid effectiveness a function of giving more aid, though this is still needed. Emphasis is shifting towards improved quality of aid: heeding

▲ The World Bank Poverty Reduction Strategy Program entailed numerous obligations on borrowers, frequently the requirement to privatise water supply, as was the case in Freetown, Sierra Leone

development partners, the Partnership was created to usher in a new era of more inclusive, more transparent and more mutually beneficial cooperation, based on diversity of modalities and wider interactions among stakeholders. Although it is too early to judge whether this Partnership is delivering on its promises, there is no time to be wasted.

A key challenge is the reluctance of leading emerging economies (China, India and Brazil), which had endorsed the Partnership accord, to play an active role and share, as well as benefit from, the exchange of development aid experiences. We badly need a bold change in mindsets by these providers as well as by major traditional providers, who should perhaps take a back seat to encourage emerging economies to assume their rightful place in this global setting.

Failure to move ahead along these lines threatens the very goals for which the Partnership was established and limits everyone's benefits from examining diverse aid approaches and tapping their comparative advantages. ●

## *Aid for development is the outcome of genuine interactions between a recipient and its aid providers*

contributions and their reluctance to place them under a single provider's leadership to achieve agreed goals more efficiently. One can imagine the tremendous pressure on a recipient country's limited administrative and technical capacities to cope with fragmentation and manage hundreds of providers' missions annually, with each mission requiring much the same type of data but using a different format and approach.

Despite progress, much remains to be done. The slow pace has been attributed to several factors, but the leading one has been

recipients' development priorities, ceasing counterproductive practices of the type outlined earlier, and strengthening a true partnership to share the risks and reward of development aid.

The negotiation of the Global Partnership for Effective Development Cooperation at the High-Level Forum on Aid Effectiveness in December 2011 was hailed as a breakthrough. By going beyond governments to include business, civil society, parliamentarians, international organisations and foundations as

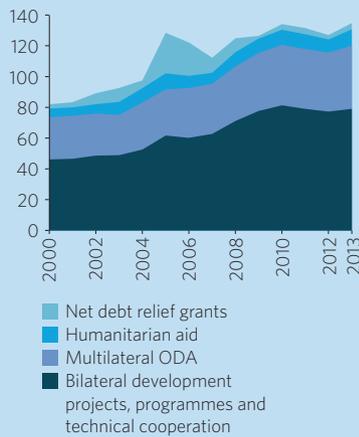


## 8 DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

The MDGs are an agenda rather than a development strategy that tackles structural causes of poverty and social exclusion. This is very apparent in Goal 8, which reads like a list of items and where, in large part for political reasons, precisely defined targets remained elusive. Target 8B, for example, seeks to “address the special needs of the least developed countries” but gives neither a timeframe nor a quantitative target or indicator to monitor progress. The post-2015 agenda should be stronger in scope and on the detail, and should emphasise the universality of both the challenges faced and action required.

### Official development assistance is now at its highest level, reversing the decline of the previous two years

Official development assistance (ODA), from OECD-DAC countries, 2000-2013 (Constant 2012 US\$ billions)



### TARGET 8.A Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Proportion of developed country imports (excluding oil and arms) from developing countries and least developed countries (LDCs) admitted duty free, 1996-2012 (%)



Note: This indicator is subject to the influence of changes in export structure and relative prices.

### TARGET 8.B,C Address the special needs of the least developed countries, landlocked developing countries and small island developing states

Net official development assistance from OECD-DAC countries as a proportion of donors' gross national income, 1990-2013 (%)



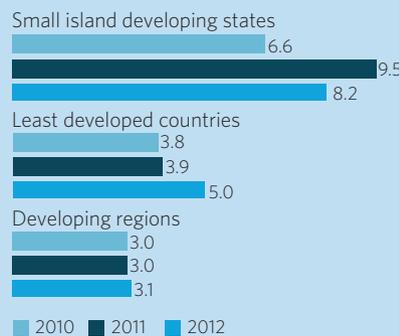
### TARGET 8.D Deal comprehensively with the debt problems of developing countries

#### The debt burden of developing countries is much lower than in 2000, but is not declining further

External debt service payments as proportion of export revenues, all developing countries, 2000-2012 (%)



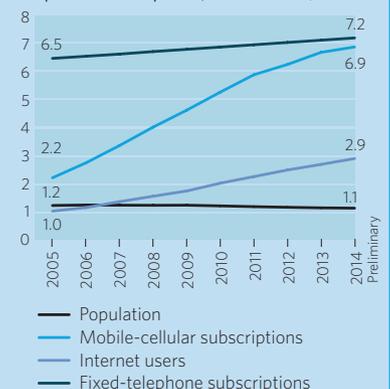
External debt service payments as proportion of export revenues, 2010, 2011 and 2012 (%)



Note: Data only cover the developing countries that report to the World Bank Debtor Reporting System.

### TARGET 8.F In cooperation with the private sector, make available benefits of new technologies, especially information and communications

Estimated number of mobile-cellular subscriptions, internet users and fixed-telephone subscriptions, 2005-2014 (billions)



# Relieving the debt burden

*Numerous countries have been rendered incapable of development through overwhelming levels of national debt. What can be done to honour these countries' right to develop?*

By **Dr Cephias Lumina**, Research Professor of Public Law, University of Fort Hare, South Africa and former UN Independent Expert on the effects of foreign debt

In 2012, the total external debt of developing countries was estimated at \$4,900 billion. During that year, they paid \$620 billion servicing their debts. To service their debts, governments are often forced to divert scarce financial resources from essential investments in human, social and physical infrastructure that provide the foundation for sustainable and equitable development. Debt servicing also significantly reduces the capacity of countries to establish the conditions for the realisation of human rights, particularly economic, social and cultural rights. In short, excessive debt burdens can create considerable obstacles to development.

While claiming that Heavily Indebted Poor Countries (HIPC)s have been able to increase their poverty-reducing expenditure as a result of multilateral debt relief, the World Bank and International Monetary Fund (IMF) have also noted that these countries have made uneven, even limited, progress in achieving the UN Millennium Development Goals (MDGs).<sup>1</sup>

Furthermore, the policy conditions linked to the provision of new loans and debt relief by international financial institutions (IFIs) often have a negative impact. For example, the realisation of many basic rights may be hampered by requirements to reduce government spending or limit investment in social services such as education and health. This undermines national ownership of development strategies.

According to the IFIs, these policy measures aim to promote economic growth

and prosperity, as well as to restore the debt repayment capacity of recipient countries by reducing debt to levels deemed 'sustainable' by the creditors. Nonetheless, the available evidence demonstrates that the measures in fact have a negative impact on the realisation of human rights in the longer term and have contributed to increasing poverty in many debtor countries.

In Greece, for example, public spending cuts implemented under the bailout programme of the IMF, European Central Bank and European Union, and labour market reforms have resulted in increased unemployment, homelessness, poverty and social exclusion, and severely reduced access to public services.

It is widely accepted that country ownership of national development strategies is the foundation of development effectiveness. Nevertheless, policy conditions linked to new loans and debt relief have left many poor countries ensnared in externally prescribed or approved policy frameworks that undermine their development and make it difficult for them to comply with their human rights obligations. Indeed, very high debt burdens leave countries subject to the control of IFIs and other creditors, eroding their ability to freely determine and pursue policies favourable to their development.

## Illegitimate debt

A substantial share of the debt owed by developing countries – estimated at more than \$500 billion – is attributable to reckless or self-interested lending practices by financial institutions in the developed countries during the 1970s and 1980s for unproductive investments; lending by affluent countries to authoritarian or corrupt regimes in return for support

during the Cold War; and questionable policy prescriptions by IFIs. Many contend that this debt is odious or illegitimate and therefore unenforceable.

Under international law, national debt incurred by a regime for purposes that do not serve the interests of the nation is unenforceable. Such debts are considered to be the responsibility of the regime that incurred them, not the state. As originally articulated by Alexander Sack in 1927, a debt was presumed to be odious if it met three essential conditions: (a) it was contracted by a despotic regime; (b) it was not used for the needs of the population of the borrower state; and (c) the creditor was aware of the nefarious use of the funds.

The odious debt doctrine has historical precedents. For example, after the Spanish-American War of 1898, Spain contended that Cuba should repay the loans made to it by Spain. However, the United States repudiated the debt, arguing that it was imposed on Cuba by force of arms and served Spain's interest rather than Cuba's, and that the debt therefore ought not to be repaid.

In 1998, the British House of Commons International Development Committee used the doctrine to recommend cancellation of Rwanda's debt. In 2003, following its invasion of Iraq, the United States called for the cancellation of that country's debt on the basis that it was incurred by the repressive regime of Saddam Hussein, but this argument was later abandoned to avoid setting a precedent. In 2005, the Nigerian Parliament requested the country's government to repudiate a debt that had largely been inherited from the military dictatorship, particularly under Sani Abacha (1993–1998).



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In recent times, debt cancellation campaigners have increasingly invoked the concept of illegitimate debt to justify cancellation of debts incurred as a result of profligate lending. While there is currently no universally accepted definition of illegitimate debt, the concept is used to refer to a broad variety of questionable debts, including debt incurred by undemocratic means, debt incurred under predatory repayment terms, and debt resulting from irresponsible projects that did not further development objectives or caused harm to the environment. Thus, the concept is much broader than the concept of odious debt.

▲ Members of a Bambutu, or pygmy, community outside their hut near the eastern Congolese (DRC) city of Goma. Out of the 39 countries identified by the HIPC Initiative, 33 are from sub-Saharan Africa

A notable recent example of the use of the illegitimate debt concept is that of Ecuador. In 2008, the commission established by the government of Rafael Correa Delgado to audit the country's debt reported that there were numerous instances of irregularities and illegalities in the contraction of foreign public, commercial, bilateral and multilateral loans during the period 1976–2006, that many of these loans violated the principles

of international and domestic law and had harmful impacts on the country's population and environment. It concluded that these loans were illegitimate.

Based on these findings, in December 2008, the government announced that it would officially default on its global bonds 2012 and in February 2009 it declared a technical moratorium on global bonds 2030. This reduced the country's total foreign debt by \$2 billion plus \$7 billion on saved interest until 2030. These savings have enabled the government to scale-up its social spending.

Nevertheless, other countries with debts that many consider odious or illegitimate have opted to pay them, ostensibly because repudiation would be costly. For example, the Philippines, which in 2010 had an external public debt of \$45 billion, of which \$21 billion was incurred during the corrupt regime of Ferdinand Marcos (1965–1986), continues to service that debt while government spending on education and healthcare remains well below the benchmarks set by UNESCO and the World Health Organization.

Similarly, in 1993, South Africa inherited a debt of \$18.7 billion from the apartheid regime but the democratic government of Nelson Mandela opted to service this debt because default would be costly: the country's credit rating would be adversely affected, foreign investors would be deterred and the country would have to pay more for future borrowings. The government settled the debt in August 2001. Meanwhile, the vast majority of South Africans remain deprived of basic public services to varying degrees.

#### **Multilateral debt relief: what has been achieved?**

Since the late 1990s, the World Bank and IMF have coordinated international efforts to address the external debt problems of low-income countries through two main mechanisms: the HIPC Initiative, launched in 1997, and the Multilateral Debt Relief Initiative (MDRI), created in 2005. The aim of these initiatives is to reduce the debt burdens of the beneficiary countries to levels deemed 'sustainable' by the two

institutions and to help fund ‘poverty-reducing’ expenditures and progress towards the MDGs in these countries.

In order to be eligible for debt relief under the HIPC Initiative, a country must meet specified conditions, commit to poverty reduction through policy changes and establish a track record of macroeconomic stability.

As a first step, a country must: (a) be eligible to borrow from the International Development Association (IDA), which provides interest-free loans and grants to the world’s poorest countries, and from the IMF’s Poverty Reduction and Growth Trust, which provides loans to low-income countries at subsidised rates; (b) have a debt burden deemed “unsustainable” by the World Bank and IMF and which cannot be addressed through traditional debt relief mechanisms; (c) have established a track record of reform and “sound policies through IMF- and World Bank-supported adjustment programmes”; and (d) have adopted a Poverty Reduction Strategy Paper (PRSP) through a broad-based participatory process in the country.

Upon meeting or making sufficient progress in meeting these four conditions, the World Bank and IMF formally decide on the country’s eligibility for debt relief and creditors commit to reducing its debt to a sustainable level. At this initial stage, referred to as the ‘decision point’, multilateral and bilateral creditors begin to provide interim relief on debt service falling due.

In order to reach the ‘completion point’ and receive full and irrevocable reduction in debt under the HIPC Initiative, a country must: (a) establish a further track record of “good performance under IMF and World Bank programmes”; (b) implement to the satisfaction of the IMF and World Bank key reforms agreed at decision point; and (c) adopt and implement its PRSP for at least one year.

There is a commonly held perception that debt relief entails outright cancellation of debt. However, the term refers to any type of reorganisation of debt that lessens the total debt burden of the beneficiary. Under the HIPC Initiative, debt relief



▲ Rafael Correa during a victory celebration for the Ecuadoran presidential election. The commission set up by his government to audit international loans declared many to be illegitimate - Ecuador defaulted on these

takes various forms including cancellation, restructuring and rescheduling.

In addition, debt-relief resources do not constitute new money from external sources. Their direct effect is to allow beneficiary countries to retain general budget resources that would otherwise have been spent on debt servicing. For countries that had not been servicing their debt in full, the fiscal space resulting from debt relief is smaller than the stated volume of nominal debt relief. In short, “one dollar of debt relief does not necessarily translate into one additional dollar of expenditure on poverty.”<sup>2</sup>

Furthermore, the portion of debt that creditors are asked to ‘forgive’ under the HIPC Initiative is calculated to bring the country’s debt to the sustainability threshold of 150 per cent of present value of exports (or, in some cases, 250 per cent of government revenue). Thus, debt relief under the initiatives does not necessarily entail extinguishing all of a country’s debt.

As of March 2014, 35 of the 39 countries considered eligible or potentially eligible under the HIPC Initiative had reached the completion point. One country (Chad) was in the interim phase, while three pre-decision point countries – Eritrea, Somalia and Sudan – had yet to start the process of qualifying for debt relief. According to the World Bank and IMF, the Initiative has significantly reduced the debt burdens of the participating low-income HIPCs while enabling them to scale-up poverty-reducing expenditures.

Nevertheless, it is difficult to establish a causal link between debt relief and increased poverty-reducing expenditure. Indeed, the empirical evidence on the social impacts of the two debt relief schemes presents an inconclusive picture.

The impact of debt relief on development and on progress towards the MDGs is even less certain. In 2011, the World Bank and IMF noted that only a quarter of completion-point HIPCs were on course to achieve MDG 1 on eradicating extreme poverty and hunger. Progress towards MDG 5 on maternal health was even less certain. In 2013, the IFIs reported that the majority of completion-point countries were seriously off track in halting HIV/AIDS and other diseases (MDG 6) and that many were struggling to meet two key targets in Goals 4 and 7, on infant mortality and access to sanitation, respectively.

### Shortcomings of debt relief efforts

Existing international debt relief initiatives have a number of shortcomings that have limited their efficacy. These include a narrow conception of debt sustainability, the plethora of policy conditions which the recipient countries have to meet, and the voluntary nature of the two key initiatives, which has created opportunities for 'vulture fund' lawsuits that erode the gains from debt relief. (On 9 September 2014, the UN General Assembly passed a resolution to create a multilateral legal framework for debt restructuring processes that would help to curtail such activity by financial speculators.)

Perhaps the most important limitation is that the initiatives are entirely creditor-driven. This is not only inconsistent with the principle of shared responsibility but has led to a misplaced focus on addressing poor debt management on the part of indebted countries rather than on the underlying causes of the debt crisis.

It is also evident that debt relief provided under the HIPC Initiative and MDRI is not sustainable and has generally not reduced the vulnerability of HIPCs, with many remaining deeply dependent on foreign borrowing and investment. In 2011, the IFIs reported that a third of low-income countries were either in or at high risk of debt distress, including a quarter of post-completion-point HIPCs.<sup>3</sup>

In addition, while the HIPC Initiative aims to bring the net present value of the

debt/export ratio to below the 150 per cent threshold, at least 13 HIPCs had a higher ratio at completion point, with two (Gambia and Uganda) having ratios higher than at decision point. Others have seen their debt indicators deteriorate after receiving debt relief.

For example, Uganda's ratio swelled to over 300 per cent within three years of its HIPC completion point. According to a June 2012 debt sustainability analysis, debt relief under the initiatives reduced Tanzania's debt burden to 20.6 per cent of GDP at end-June 2007. Nevertheless, by end-June 2011, the country's external debt had risen to 34.7 per cent of GDP.

### What next?

Although reducing the debt burdens of HIPCs (in theory), the existing international debt relief initiatives do not appear to have been as successful as has been claimed by the IFIs and participating creditors.

According to the World Bank and IMF, the HIPC Initiative and MDRI are nearing completion. This offers an opportunity for the international community to consider solutions that can help deliver an equitable and durable solution to the debt crisis, as well as assist in the establishment of a truly equitable international economic order.

There are two key actions that the international community can take. First, states should commit to the principle of shared responsibility for preventing and resolving unsustainable debt situations underscored in the Monterrey Consensus. In that regard, they should commit to internationally agreed standards by adopting the UNCTAD Draft Principles on Promoting Responsible Sovereign Lending and Borrowing, and by implementing the UN Guiding Principles on Foreign Debt and Human Rights.

Second, developing countries should reduce their dependence on international

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***There is a commonly held perception that debt relief entails outright cancellation of debt. However, the term refers to any type of reorganisation of debt that lessens the total debt burden of the beneficiary***

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In particular, they have failed to address the underlying causes of unsustainable debt in low-income countries, including unfair global terms of trade, narrow production and export bases, vulnerability to exogenous shocks and irresponsible lending. Instead, the initiatives have focused on reducing debts to a level deemed 'sustainable' by creditors, implying that the problem lies with imprudent debt management and poor governance on the part of the countries receiving debt relief.

In their current form, these initiatives cannot provide a lasting and just solution to the debt crisis. This underscores the urgent need to rethink existing mechanisms and to devise strategies that not only place human rights and the basic needs of people at the core, but also respect the sovereignty of indebted countries.

capital by enhancing their capacity to mobilise domestic resources through increased public revenue collection, and by ensuring a fair and mutually beneficial return on natural resource exploitation by foreign investors. And all states should step up efforts to tackle illicit financial flows and return stolen wealth to the countries of origin. ●

- 1 International Monetary Fund, "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) – Statistical Update", 19 December 2013, p. 9.
- 2 Kaddar and Furrer, "Are current debt relief initiatives an option for scaling up health financing in beneficiary countries", pp. 1-9.
- 3 IDA and IMF, "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) – Status of Implementation and Proposals for the Future of the HIPC Initiative", 8 November 2011.



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# Tax systems to support development

*International aid is dwarfed by the financial outflows from developing countries. How can an effective, fair global tax system be created that will allow funds to be retained for development?*

By **Dr Jo Marie Griesgraber**, Executive Director, New Rules for Global Finance Coalition

**T**he United Nations is preparing for the third global conference on financing for development, as well as the next intergovernmental session on financing the post-2015 Sustainable Development Goals.

These preparations coincide with seminal reports by the UN Special Rapporteur on extreme poverty about fiscal and taxation policies, by the International Monetary Fund (IMF) on ‘Growth, Redistribution and Inequality’ and ‘Spillovers in International Corporate Taxation’, and by the International Bar Association Institute on ‘Tax Abuses, Poverty and Human Rights’. Tax systems have become core development work.

Tax revisions are also important for major aid donors, following the 2008 financial crisis and the persistent Great Recession. Aid budgets are likely to continue to come under pressure as donors themselves search for more income to cover the astronomical costs of salvaging the financial sector and stimulating domestic growth. As the wealthy countries work on their own tax systems, they are also eager for low- and middle-income countries to do the same.

At the same time, campaigning organisations in Europe, the US, Canada and throughout the developing world capture popular anger when social protection programmes (such as education, health, pensions) are cut in the name of austerity, while the richest individuals and

corporations avoid paying their fair share, hiding their money overseas. The time is ripe for creating tax systems that support development.

The first appearance of tax (domestic resource mobilisation) as a core development finance was in 2002 at the first Financing for Development Conference in Monterrey, Mexico. Domestic taxes were the first of six sources of financing for development, the others being: foreign investment, trade, aid, debt relief and ‘systemic issues’, or the coordination and cohesion of all national and international efforts.

Monterrey upgraded the *ad hoc* committee of experts on international

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## ***As the wealthy countries work on their own tax systems, they are also eager for low- and middle-income countries to do the same***

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cooperation into a permanent committee, with staff located in the UN Department of Economic and Social Affairs’ Financing for Development Office.

Last year, the G20 Summit countries raised the tax agenda to its highest level when they called on the Organisation for Economic Co-operation and Development and IMF to conduct research and design an action plan on base erosion and profit shifting – strategies that exploit gaps and mismatches in tax rules to make profits ‘disappear’ for tax purposes or move them to locations where there is little or

no real activity. The wealthiest countries recognised that high-wealth individuals and multinational corporations (MNCs) were consistently hiding their earnings in low-tax jurisdictions (also called tax havens or ‘secrecy jurisdictions’).

The scale of this problem was highlighted by US businessman and scholar Raymond W. Baker in his book *Capitalism’s Achilles Heel*. He estimated that nearly \$1 trillion dollars annually was hidden from tax collectors and roughly half of that likely came from developing countries. Indeed, for every dollar of foreign aid going into a developing country, \$5 was coming out (see also his piece on page 106).

### **Increasing tax revenues**

The main way money eludes the tax collector is through transfer pricing. Formally, MNCs pretend that each of their sub-units is a stand-alone corporation. Then guesstimates are made for the costs of goods and services exchanges among those sub-units, using the ‘arm’s length principle’, again guessing what those costs would be if all those sub-units interacted in an open and free market.

The end result is that profits are attributed to tax jurisdictions where tax rates equal close to zero; while all losses are assigned to the sub-units located in high-tax jurisdictions. Headquarters can be located in Caribbean islands or other locations that have special laws which attract phony corporate headquarters. This arrangement is especially harmful to developing countries that rely on mining and oil and other extractive industries.

The UN Special Rapporteur on extreme poverty and the International Bar Association’s Human Rights Institute both document how human rights are violated

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◀ **Ho Chi Minh City, Vietnam. Multinational companies act as a conduit for massive capital outflows from developing countries**

in situations of extreme poverty. The UN treaty on economic, social and cultural rights requires governments to make best efforts to help provide food, clean water, housing, education, health and other services vital to survival for the poorest.

When governments cannot or do not collect taxes, it can lead to the denial of these basic rights due to lack of funds. When citizens pay taxes, they can feel more empowered to hold their governments accountable. Thus paying taxes also promotes civil and political rights.

On the purely economic front, a recent IMF Policy Paper documents that periods of growth last longer in situations where inequality is less severe. Wealth distribution through social programmes and progressive taxes actually prolongs

### ***When governments cannot or do not collect taxes, it can lead to the denial of basic rights***

periods of growth, further reducing inequality. The IMF concludes that progressive taxes are not barriers to growth as argued in some economic theories.

What exactly should developing countries do to increase their tax revenues? The IMF recommends: resisting or withdrawing from bilateral tax treaties, which restrict their ability to tax foreign corporations; ending exemptions and tax holidays for investors; and (re)negotiating more transparent and more fair contracts with extractive corporations. These contracts should provide higher payments on what is extractive, including more income whenever prices go up, and use of withholding taxes.

The G20 proposal for automatic exchange of information on taxes is a positive step. Developing countries will need to have technical and financial support to receive and analyse all incoming data as well as provide the required information on foreign corporations and individuals operating in their countries.



**\$1,000,000,000,000  
hidden from tax  
authorities annually**



**HALF**

**\$500,000,000,000  
of annual tax evaded is  
thought to be lost from  
developing countries**



**For every dollar of foreign  
aid going into a developing  
country, \$5 is coming out**

However, for developing countries to benefit more from taxes, wealthy countries need to make the major changes. First, stop illicit outflows, by closing the secrecy jurisdictions, and by not allowing any money to enter the major financial centres (London, New York, Frankfurt, Switzerland, Hong Kong, Singapore) unless the recipient bank:

- 1) can verify the true owner of the money (no phony shell corporations, trusts where governments cannot identify the true or 'beneficial' owner);
- 2) can verify how the money was earned;
- 3) reports the interest earned on the money to the home and to the source country.

This also means that states within the US (such as Delaware, Wyoming and Nevada), as well as British 'crown dependencies' (e.g. the Cayman Islands and Bermuda), and other offshore havens, such as Mauritius, Ireland, Luxembourg and the Netherlands, should no longer incorporate such shell companies.

Further, rich states should replace transfer pricing and the fictional arm's length principle that is overly complicated and expensive for developing countries to try to track. An alternative is to treat every MNC as a single unit. Under 'unitary taxation' the corporation would need to report where its expenses and profits actually occur, and pay taxes on an agreed formula, for example a combination of the size of sales, the number of people employed and the worth of the investments. This method of paying taxes is used for collecting domestic taxes on all MNCs operating in the US and the rest of the developed world.

A comprehensive overhaul of global tax systems would be ideal. The UN has articulated the goals through the system of UN treaties. Researchers, civil society and the IMF have made strong, clear suggestions on essential first steps for both developed and developing countries.

What is still needed is the political will and politicians who serve the electorate and the common good, not the people contributing most to political campaigns. ●

# Development from below and within



Fundación  
Iberoamericana  
para el Desarrollo

The IberoAmerican Foundation for Development (FIDE), founded in Spain in 1991, provides people with the knowledge, methods and means to achieve development from below and within.



Video and photos of FIDE Foundation projects

A method for sustained action is explained in 17 books written by Antonio Vereda del Abril, President of FIDE. We have applied this Methodology to cooperative projects in Latin America. FIDE Foundation has been working for 23 years on the eradication of poverty, the promotion of democracy and the right of all people to develop.

The President and founder of FIDE has contributed significantly to the concept of “development from below and within”. During the 1990s, he created a conceptual framework to eradicate poverty and begin development, based on the following concepts: Majority, Informal Economy, Development, Entrepreneurs, Microcompanies, Microcredits and Management of R&D+i to configure networks of solidarity, knowledge, education and technology, and increase access to markets.

Numerous important proposals for Latin America were made by the FIDE Foundation, to make the region a place of solidarity, democracy and development. The decade before the economic crisis was the right time to launch initiatives like: “Debt in exchange for Development”, since the debt was blocking the development of poor and impoverished peoples.

Antonio Vereda del Abril proclaimed that we are living in a new era of “globalidad” (universality) as a result of the revolutions in science, technology and culture. The promise of the future rests with those who have the imagination to build a different, better world. We must abandon the concept of “them and us” and embrace the idea of a “global we”, to create a new global civilization.

[www.fundacionfide.org](http://www.fundacionfide.org)

# Making decent work and inclusive growth a reality

*Meaningful, fair-paid and safe jobs should be at the heart of an inclusive, equitable and sustainable development agenda*

By **Guy Ryder**, Director-General, International Labour Organization

As the UN explores and navigates myriad development issues through inter-governmental discussions, expert policy dialogues, analyses by senior political leaders and countless multi-stakeholder meetings, one theme has repeatedly been identified as a key priority for the future of sustainable development and inclusive economic growth: decent work.

Tens of millions of people globally have responded to the UN's call to voice their hopes and aspirations for a future they want. Their reply, overwhelmingly, has set access to a quality job as a top priority. In a recent speech, the UN Secretary-General said that "work is more than a source of income, it is a source of dignity".

Work connects people to their societies and economies, and often shapes a person's self-definition. Access to safe, productive and fairly remunerated work – the essence of decent work – is extremely important, assuring a sense of self-worth among women and men. It enables them to provide for their families while making a productive contribution to the wider society and helps to build the foundation of stable communities.

Societies' capacity to offer opportunities to work in dignity will be central to shaping the kind of future to which we can look forward. Deeply disturbed by the present trend toward growing economic inequality globally, Pope Francis recently declared that the dignity of each human person and the pursuit of the common

good are concerns which ought to shape all economic policies. For the International Labour Organization (ILO) the goal of decent work must help shape such policies.

Decent work and inclusive growth are directly linked and mutually supportive. Economic transformation and growth can help to open up opportunities for decent work while more and better jobs feed back into the growth dynamic, making it more inclusive and sustainable. We have seen that where jobs are scarce there is less growth, less security and less human and economic development. Conversely, where jobs are being created incomes grow, stimulating consumption, which in turn helps strengthen aggregate demand and enhance growth.

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## ***The promotion of decent work is indispensable if economic growth is to be more inclusive***

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However, decent work does not happen on its own. It requires job-rich growth strategies, active labour market policies, economic diversification into high value-added sectors and improving workplace conditions that nurture higher levels of productivity. Enabling conditions are needed to facilitate the transition from the informal to the formal economy and boost the development and growth of micro-, small and medium-sized enterprises.

For their part, businesses need to increase investments into productive

capacities and actively promote creativity and innovation at work and, more generally, focus on investing in developing a well-trained workforce capable of adapting to changing market conditions.

An economically dynamic and inclusive future demands that special attention be given to youth. It is estimated that 470 million young people will join the labour force between 2015 and 2030. Their employability must be a priority concern. Looking over the horizon, it will be difficult to imagine a sustainable and peaceful world in 2030 if we fail to rise to the youth employment challenge.

Experience and research have long shown that investing in people, through formal education, technical and vocational training, social protection initiatives, application of rights and good conditions at work can generate immense social and economic dividends. From a world of work perspective, developing human capital is a key to enhancing labour productivity and job quality.

Effective strategies to develop skills for employability and anticipating which skills will be needed in the future will require inter-governmental coordination. Additionally, it will need the development of curricula in consultation with employers to better align education and training requirements with real-world demands that are relevant to local and global conditions.

A solid foundation for economic growth is built on specific policy measures that help mitigate the effects of economic shocks and downturns, and, most importantly, help break the cycle of inter-generational poverty. Social protection



© Greg Funnell/ActionAid

▲ Sullayman, welding at an ActionAid-supported training centre in Freetown, Sierra Leone. The centre helps homeless orphans and war victims acquire the skills they need to find employment

systems, including national floors of social protection, contribute to economic and social development by ensuring that people enjoy a basic level of income security, have effective access to healthcare and other essential social services, and are empowered to take advantage of economic opportunities.

Social protection plays a key role in boosting domestic demand, transforming national economies, promoting decent work, and fostering inclusive and sustainable growth. Recent evidence shows that proactive wage and social protection policies have contributed positively to reductions in income inequalities in several countries over the past decade.

Respect for labour rights and ensuring the safety of workers at work should also be central to any future sustainable development agenda. Every year around 260 million people are victims of workplace

accidents – often preventable. The human cost exacts a monetary cost equal to four per cent of global GDP. Investing in safe and secure work environments prevents accidents and saves lives and also increases productivity and competitiveness.

The current discussions on the post-2015 development agenda are focused not only on what is important, but also on how these goals can be implemented. The ILO's international labour standards and policy frameworks can serve as a basis for the development of national policy responses to development challenges.

For example, the ILO's Global Jobs Pact has received wide support for its range of policy options that promote job-friendly economic recovery and inclusive growth. The ILO's call for action on the youth employment crisis presents an evidence-based approach to designing effective strategies and policies that generate decent

employment for young women and men. Also, the ILO's recommendation on national floors of social protection provides a policy framework to increase social protection coverage that can be adapted to a country's specific circumstances.

The promotion of decent work is indispensable if economic growth is to be more inclusive, particularly in the face of widening inequalities. As the international community's new vision of development comes into sharper focus, it should be our objective and collective determination to ensure that decent work is at the heart of an inclusive, equitable and sustainable development agenda for this and succeeding generations. ●

# Closing the inequality gap

**Korea is a member of the OECD's Development Assistance Committee. KOICA is a government development cooperation agency dedicated to inclusive growth toward shared prosperity**

**T**he Korea International Cooperation Agency (KOICA) was founded on 1 April 1991, as a government bilateral agency responsible for grant aid. It was created to support poverty eradication and socio-economic development in developing countries, enhancing international development cooperation as well as strengthening partnerships with developing countries.

Korea is well-versed in the misery and pain of poverty. Following the devastating 1950 Korean War, Korea became one of the poorest countries in the world, with soaring unemployment rates and two-thirds of production capacity destroyed, meaning the country was reliant on foreign aid for many years. This aid at first helped the Korean people survive, providing basics such as food, clothing, medicine and raw materials. Until the reconstruction period between 1953 and 1960, more than 70 per cent of Korea's imports were financed by foreign aid.

In little under 50 years, Korea transitioned itself from a poverty-stricken country to member of the Organisation for Economic Co-operation and Development (OECD). Korea then went on to join the OECD's Development Assistance Committee (DAC) in 2009, the only country that has progressed from being a least-developed country to an OECD-DAC member.

We believe our first-hand experience is our greatest asset and this experience has taught us that 'ownership' in the development process is essential for success.

## **The role and programmes of KOICA: Create ownership**

In order to harness the Korean experience, KOICA plays a critical role in Korea's implementation of Official Development Assistance (ODA). It provides various programmes in terms of integrated project and technical assistance, instigating private-public partnerships to leverage the private sector. KOICA sends 2,500 volunteers and experts overseas annually and invites 5,000 people to Korea for training and scholarship programmes in a variety of sectors to help build capacity in partner countries.

KOICA subscribes to the Millennium Development Goals (MDGs), which task the international community with halving the number of people living in absolute poverty by 2015. The MDGs and discussion on the post-2015 agenda call for a global partnership to lift societies out of poverty and create a better future for humanity - tackling climate change, securing water and enhancing governance are among the areas in which KOICA is investing.

Respecting its partner countries, KOICA seeks to offer assistance in line with the development priorities of partner countries, empowering partners by sharing our own development experience, while giving them the freedom to decide how and where to apply it.

KOICA strives to join the global efforts to increase the effectiveness of foreign aid and inclusive partnership, which are key concepts framing the post-2015 development agenda. It also introduced Saemaul Undong (SMU, literally 'New Community Movement'), a community-based integrated rural



■ President Young-mok Kim joins residents of Bulchana village, Ethiopia in chanting "We can do it!". KOICA implemented the Integrated Rural Development project in this village, based on Korea's own rural development experience, Saemaul Undong



■ The Central General Hospital in the Quang Nam Province is one of four national hospitals of Vietnam. The hospital, which can accommodate 500 patients, is a landmark project of KOICA, which provided \$35 million in funding over four years

development programme of the Republic of Korea that has turned out to be a great success. We believe SMU has many applications, not only for rural development programmes, but also overall national development strategy, in order to achieve inclusive and sustainable growth.

## **KOICA's focus and expertise: Human and other intangible capitals**

Currently, KOICA's volume of assistance budget is modest. However, KOICA is mobilising a large amount of human capital, providing development assistance by sending large numbers of volunteers and experts and having them engage with the people on the ground.

Through its work, KOICA is committed to tackling the 'inequality trap', laying down the foundations of inclusive growth and shared prosperity by pooling tangible and intangible resources, something that has become particularly important in the wake of the global economic crisis.

KOICA concentrates resources on sectors in which Korea has greatest expertise, including education and vocational training, with focus on technology, health and medical care, public administration, agriculture and fisheries, and information & communications technology.

Alongside these physical aspects of assistance, KOICA also shares expertise and institutions to provide comprehensive support of the development of partner countries. KOICA believes developing human resources and institutions are critically important in achieving sustainability.



■ As the first professional vocational training centre in Uzbekistan, this centre in Tashkent provides unemployed young people with professional skills

#### Strategy for the post-2015 era: Achieving goals by inclusive partnership

Although Asia has made great strides in reducing poverty, thanks to high economic growth, two-thirds of the world's poor still live in this region. This led KOICA to increase assistance in the area in 2009 for less developed countries. This focus on Asia has been maintained due to Korea's close relationships in the area, including in economy, diplomacy and culture.

Asia is the largest recipient of KOICA aid, which accounts for 46.9 per cent of total spending in 2012. Africa (20.4 per cent) is the second largest recipient, followed by Central and South America (11 per cent).

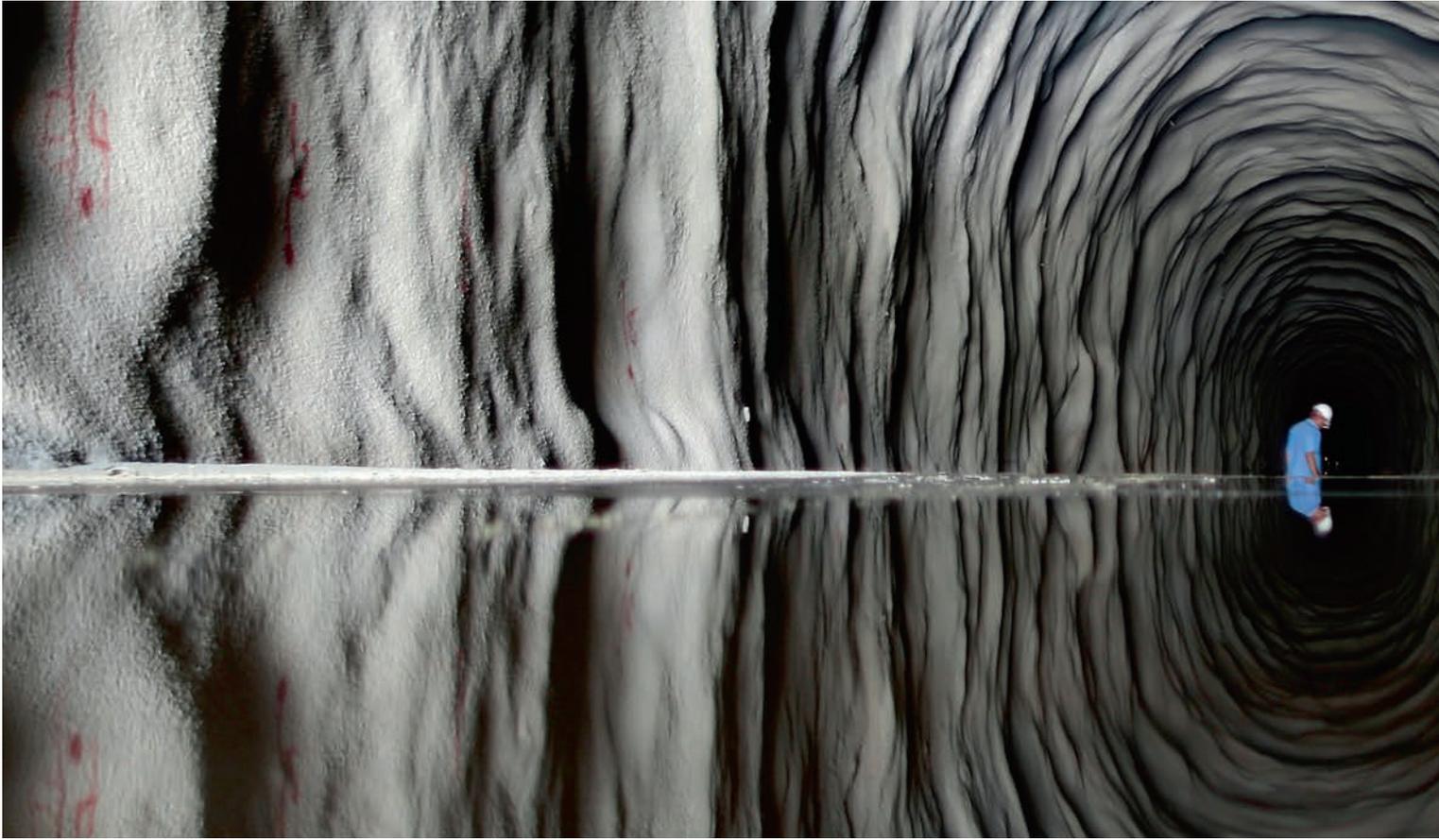
KOICA's remit has also expanded to Africa, which has high instances of less developed countries, and aid has been provided, among others, in Ethiopia, Rwanda, Uganda, Tanzania, Senegal and the Democratic Republic of the Congo. KOICA is concentrating on health, education and rural development in these areas, working with other organisations that have an understanding of the needs of these countries.

However, KOICA's resources are limited. Without the support and participation of volunteers and the private sector, results obtained would not be satisfactory, or be limited at best. Nor would we be able to reach out to these countries and help people in a real plight.

In this regard, KOICA is in the process of expanding partnerships with donor agencies, international organisations and domestic and global private players. Eradicating poverty is not just a job for aid workers, government and development organisations – corporations, financial investors and fund managers all have a part to play. Leveraging funding and expertise in the private sector will enable sustainable growth and socially valuable expansion for all.

Overall, KOICA will ensure Korea's unique know-how and experience gained from its own transition will translate into support for socio-economic development in partner countries, a closing of the inequality gap and the creation of shared prosperity for all. ■

Young-mok Kim  
President of KOICA



# Financing essential infrastructure in Latin America and the Caribbean

*Investment in infrastructure is a key driver of development. Creating the conditions to encourage more private sector investment can transform the growth prospects of developing countries*

By **Dr Arturo J. Galindo**, **Dr Leopoldo Laborda Castillo** and **Verónica Zavala**,  
Inter-American Development Bank

Infrastructure is a key component of economic prosperity given its paramount role in fostering productivity and alleviating poverty. Latin America and Caribbean (LAC) countries traditionally have lagged behind in terms of the quantity and the quality of their infrastructure. For several decades, most of the region's infrastructure was financed with public resources, and, given a variety of macroeconomic and institutional disorders, these were scarce and inefficiently used.

Under heavy fiscal pressure, shrinking investment was usually the adjustment mechanism adopted by governments. In recent years, the macroeconomic condition of many countries has strengthened and new opportunities to finance infrastructure have arisen, providing countries with new



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avenues to close the infrastructure gaps created in the past.

Table 1 shows a recent recovery in investment in infrastructure in large countries in LAC, after a declining trend throughout most of the last three decades. Investment in infrastructure decreased from nearly four per cent of gross domestic product (GDP) in 1980–1985 to two per cent between 1996 and 2001, and then to 1.5 per cent between 2002 and 2006. In recent years, after a relative bonanza following the world financial crisis (2008–

2011), there has been a recovery, with investment in infrastructure increasing to nearly three per cent of GDP.

In the early 1980s, governments maintained high levels of infrastructure investment (about three per cent of GDP) and were the primary funding source of all infrastructure projects. During the 1990s, a period of high macroeconomic volatility, public infrastructure investments reached only 0.8 per cent of GDP. The downward trend continued in the first years of the new century, and public infrastructure investment

▲ A worker inside the Cuncas II tunnel, which will link the canals being built to divert water from the São Francisco river for use in four drought-plagued states near the city of Mauriti, Brazil

hit 0.6 per cent of GDP. In recent years, and as the macroeconomic stance of most countries has stabilised and fiscal deficits have reduced, public investment has risen again, to 1.6 per cent of GDP.

In the case of private investment, although its first significant push was in the late 1980s, the sector played a leading role in the 1990s, mainly due to privatisation and corporate takeovers. As a result, private investment reached 1.4 per cent of GDP between 1996 and 2001 – considerably higher than the 0.6 per cent of GDP achieved in the early 1990s.

Between 2002 and 2006, private investment dropped off abruptly in comparison with the previous period, falling to 0.9 per cent of GDP. As economies stabilised and the financial crisis subsided, private investment picked up, reaching 1.2 per cent of GDP between 2008 and 2011.

**Table 1: Investment in infrastructure as % of GDP: selected countries**

	1980–1985	1996–2001	2002–2006	2008–2011
Public	3.1	0.8	0.6	1.6
Private	0.6	1.4	0.9	1.2
<b>Total</b>	<b>3.7</b>	<b>2.2</b>	<b>1.5</b>	<b>2.8</b>

Note: Selected countries are Argentina, Brazil, Chile, Colombia, Mexico and Peru.

Source: Calderón and Servén (2010), Perrotti and Sánchez (2011), and own calculations.

Figure 1 shows that the composition of investment in infrastructure varies significantly across countries. While in Argentina, Bolivia and Ecuador, investment in infrastructure is mostly publicly financed, in others such as Brazil and Colombia, the major source of financing is private. Overall and throughout the region, private sources of funding account for nearly half of the region's investment in infrastructure.

According to several estimates, the infrastructure gaps in LAC are high. For example, economists Perrotti and Sanchez estimate that in order to close the gap between demand and supply of infrastructure, the region will need to invest an additional 5.2 per cent of GDP per year for more than a decade and a half. Investing this amount requires significant efforts that exceed public funds. In this context, the participation of private capital in financing infrastructure projects is key.

The current view throughout the developing world is that projects that are managed and designed cautiously, involving the private sector, will lead to investments in which the benefits will outweigh both the potential costs and risks of fiscal liabilities that may materialise during the investment process. Because of this, the number of infrastructure projects in the developing world involving the private sector has increased in recent years.

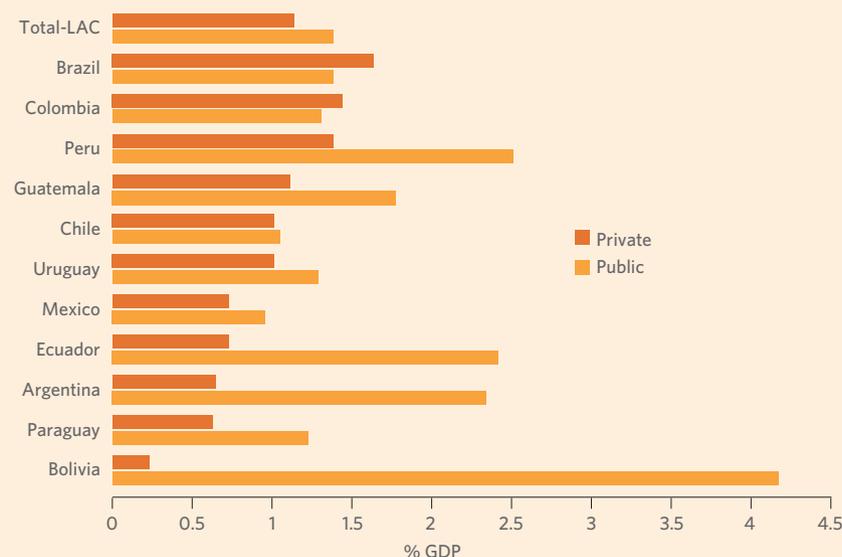
As shown in Table 2, the preferred way to involve the private sector in infrastructure projects in LAC is now through 'greenfield' investments, a similar trend to the rest of the developing world. However, this has not always been the case. In the 1990s the prevailing method for private-sector involvement in LAC was through concessions (42 per cent of projects). While the share of concessions has now fallen to less than 30 per cent of projects, greenfield projects have risen to 66 per cent.

It is important to note that most of the greenfield projects (91 per cent) take place in upper middle income countries, and that 80 per cent of them follow one of two models:

- Build, operate and transfer (BOT), where a private sponsor builds a new facility at its own risk, operates the facility at its own risk, and then transfers the facility to the government at the end of the contract period.
- Build, own and operate (BOO), where a private sponsor builds a new facility at its own risk, then owns and operates the facility at its own risk.

A challenge for the region is to promote financing schemes involving the private sector throughout the region and, where possible, to contain fiscal risks, particularly in lower-income countries, where private participation is scarce and can take place in a way that makes fiscal accounts more vulnerable. It is clear that public-sector risks may always exist in infrastructure projects, but these

Figure 1: Investment in infrastructure (average 2008–2011)



Source: Barbero (2011) and own calculations

Table 2: Private participation in infrastructure (PPI) projects and PPI type in Latin America and the Caribbean

PPI Type	1990-2000		2001-2012	
	Project Count	%	Project Count	%
Concession	376	42.15	227	27.92
Divestiture	134	15.02	13	1.60
Greenfield project	351	39.35	536	65.93
Management and lease contract	31	3.48	37	4.55
<b>Total</b>	<b>892</b>	<b>100</b>	<b>813</b>	<b>100</b>

Notes: *Concessions:* A private entity takes over the management of a state-owned enterprise for a given period during which it also assumes significant investment risk. *Divestitures:* A private entity buys an equity stake in a state-owned enterprise through an asset sale, public offering, or mass privatisation programme. *Greenfield projects:* A private entity or a public-private joint venture builds and operates a new facility for the period specified in the project contract. *Management and lease contracts:* A private entity takes over the management of a state-owned enterprise for a fixed period while ownership and investment decisions remain with the state. Source: Author's calculation using World Bank and PPIAF, PPI Project Database (2014).



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need to be strategically chosen, and contracts should be designed to properly mitigate them. In cases where the self-sustainability of the project is uncertain, governments may need to provide guarantees, or design the contracts in such a way that the government will take the risk until the income streams of the project are known for certain. Doing this requires not only the will to involve the private sector, but also ensuring that institutions are knowledgeable and mature enough to handle the challenges.

Investment in economic infrastructure and related services in LAC has been insufficient. Although several factors were involved (such as high macroeconomic volatility, the lack of comprehensive policies and regulatory and financing issues), the effects of these physical

constraints are clear and seriously threaten future development. Involving the private sector in funding infrastructure projects is crucial for the region.

However, the design of such involvement needs to be carefully done to ensure that the private sector participants are experienced and have a demonstrable value for money; the outputs are clearly defined and measured by third-party performance audits; sound procurement policies are guaranteed; and the maintenance costs are considered and incorporated in the contract; among others.

It is also important to consider that simply making the estimated investments required, and selecting the most appropriate funding model, does not guarantee that investment will lead to growth. Rather, as Rozas and Sánchez

▲ Construction of the innovative public escalator at Commune 13, one of the poorest districts in Medellín, Colombia. The huge 384m (1,260ft) long outdoor escalator helps the 12,000 residents get around the mountainside slum

(2004) state, investment in infrastructure is a necessary condition for development, but it is not enough on its own.

The impact of infrastructure investment on growth will also depend on other factors, such as the extent of human capital development, the availability of natural resources or the access to technology.

In short, the challenges of the region lie not only in securing the best possible funding for investment, but also in providing an adequate institutional environment for the investments to take place soundly and effectively. ●

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## Quality financial services for all

*“Universal access to financial services is within reach – thanks to new technologies, transformative business models and ambitious reforms... As early as 2020, such instruments as e-money accounts, along with debit cards and low-cost regular bank accounts, can significantly increase financial access for those who are now excluded.”*

Jim Yong Kim, President, World Bank Group

By **Dr Elisabeth Rhyne**, Managing Director, Center for Financial Inclusion

**F**inancial inclusion is within reach. More than 40 years ago, the microfinance movement began its spread around the world, helping unserved and underserved communities gain access to credit and other financial services. Through microfinance, hundreds of millions of clients who had been previously ignored by mainstream financial institutions have access to products that most of us take for granted in our daily lives.

Now, building on the success of microfinance, the financial inclusion movement has created a vision of a world

▲ Shobha Vakade, who took out a loan of 18,000 rupees (\$400) from a microfinance company to start her own business, strings beads into necklaces outside her house in a slum in Mumbai, India

where everyone has financial services to help them achieve their goals. While it may seem daunting to reach the billions without access to quality financial services, new providers and new technologies are making it possible.

Commercial banks, telecommunications providers, insurance companies, payments providers and others are entering the market with a range of social and business motivations. New technologies are reducing delivery costs and leapfrogging the barrier of physical access.

Policy-makers are working within their countries and regions and through global initiatives to create an enabling environment for financial inclusion. Microinsurance is now reaching half a billion people, according to the International Labour Organization (ILO). Big data and use of alternative data are revolutionising areas such as credit reporting. And rising incomes at the base of the pyramid are creating demand from new customers.

Many of these new customers are part of the fast-growing 'vulnerable class', defined as those having an income of \$4 to \$10 per day. These consumers are no longer poor, but they remain vulnerable to shocks. As their spending power rises they will begin to be interested in using formal financial services to help manage their financial transactions. From the start to the end of this decade, the 'real' spending power of the bottom 40 per cent of the population will nearly double, to \$5.8 trillion.

### **Financial inclusion 2020: enabling sustainable development**

The Center for Financial Inclusion at Accion defines financial inclusion as a state in which all people who can use them have access to a suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients. Financial services are delivered by a range of providers, most of them private, to a financially capable clientele.

This definition moves beyond access to focus on quality, and it is this concern for quality that is essential for financial

inclusion to be an enabler for sustainable development goals.

Financial inclusion enables people at the base of the economic pyramid to make the most of their resources, providing the infrastructure that serves as the backbone for the post-2015 development agenda.

A microfinance loan does not create a vegetable vendor's market, but the working capital it provides may enable her to arrive in the marketplace with vegetables to sell. A savings account does not get a youth into school, but it may enable his parents to stockpile the money for school fees. Electronic money transfer services do not change the amount a worker can set aside to send home to her parents, but they enable the money to move faster and more cheaply. Microinsurance does not prevent a baby from getting sick, but it allows

## ***Financial inclusion enables people at the base of the economic pyramid to make the most of their resources***

his parents to pay for healthcare. And in the face of drought, insurance enables a smallholder farmer to plant their next crop.

Financial services assist people to manage their economic lives across the barriers of time and space and in the face of risks. This infrastructure is crucial in order to achieve the transformative shift the UN seeks beyond 2015. Full financial inclusion for all, which we believe is achievable by 2020, will provide critical building blocks for achieving sustainable development goals in the post-2015 world, but only if approached with the needs of the excluded carefully considered.

As financial service providers begin to serve new first-time users they must design and deliver quality products that address their needs, and invest in building financial capability so consumers are equipped to make sound financial choices. Most fundamentally, policy-makers

and providers need to ensure that these customers, who are inexperienced with financial services, are protected from exploitation and abuse. Microfinance has led the way, spurring a focus on responsible finance through initiatives such as the Smart Campaign (focused on consumer protection), Microfinance Transparency (focused on pricing transparency), and the Social Performance Taskforce (focused on mission fulfilment).

### **Leave no one behind**

As providers increasingly deliver services to those whose incomes are rising, it will remain important not to leave behind groups that can experience exclusion, such as women and youth, people in rural and remote areas, older adults and persons with disabilities. Australia, for example, is using its G20 presidency to focus on remittances, which may help bring the financial service needs of migrants and refugees into greater focus.

The older adult segment (ages 65+) is expected to reach 1.5 billion people by 2050. Both developed and less developed countries are ageing at an astonishing rate. In 1950, one in 20 people worldwide was elderly; by 2050 it will be one in five. The rapid growth in older populations must be addressed by policy-makers and financial service providers, to serve those who are currently old and help those preparing for ageing.

Persons with disabilities experience both low access to financial services and high unemployment – as high as 90 per cent in the developing world. According to the World Health Organization, more than one billion people worldwide experience some type of disability. New solutions are emerging to close the accessibility gap, fuelled by assistive technology innovations as well as mandates such as the UN Convention on the Rights of Persons with Disabilities.

While these groups present special challenges, there are business models that successfully cater to each of them. With public-sector leaders joining private-sector innovators, we can achieve the vision of Financial Inclusion 2020 – a world in which all people have the tools they need to manage their resources. ●

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# Collaboration is the 'new normal'

*As development goals become increasingly dependent on partnerships of diverse actors, how can the barriers be broken down to enable effective, concerted action?*

By **Dr Darian Stibbe**, Executive Director, The Partnering Initiative (TPI)

In September 2014, the Open Working Group on the Sustainable Development Goals (OWG) will present its report to the UN General Assembly. While specific targets and indicators are still being finalised, one aspect is clear: partnerships will be essential to achieving the goals, and they will be needed at a level that dwarfs current collaboration.

This is a heavy demand. While the rhetoric around partnership may be scorching, the reality – particularly at country level – is still lukewarm. Partnering across sectors with different interests, motivations, cultures and timescales, and often lacking in trust, is challenging.

Too many existing partnerships are not delivering fully on their potential and, with few mechanisms to support new partnerships, the number of collaborations is only scratching at the surface of what is required.

If we are to scale up and mainstream collaboration, we must do more to build the 'partnership infrastructure': the structures, mechanisms and capacities needed to make them happen at scale. Unfortunately, the issue of how this could be achieved is not touched on by the OWG's latest draft.

On the basis that 'what gets measured gets done', The Partnering Initiative (TPI) believes that, as an essential delivery mechanism, specific 'structural targets' should be included around partnerships

▲ Processing rice at a mill in Nigeria. GAIN, which supports public-private partnerships to increase access to missing nutrients in diets through the fortification of staple foods, is one of a number of multi-stakeholder platforms already in operation globally

in the post-2015 agenda, with indicators focused on the degree to which the enabling partnership infrastructure is in place.

## Towards a new infrastructure for collaboration

To mainstream partnerships, concerted, collective action is needed at four levels:

**1. Systemic mechanisms: multi-stakeholder platforms catalysing partnerships**  
A number of multi-stakeholder platforms are already in operation globally – for example the Global Alliance for Improved

Nutrition – as well as at country level, such as the Southern Agricultural Growth Corridor of Tanzania and the new Business in Development Hubs that TPI is developing in Zambia and Colombia.

To systemise partnership development, such platforms need to raise awareness among all actors about the potential for partnership in a particular area of development or geographic region; build trust and facilitate positive dialogue among the sectors; broker potential partnerships (including building capacity for partnering); and connect them with possible sources of funding.

Structural targets could be set for the existence and quality of global-level platforms for each development area, as well as country-level platforms that drive local action.

## 2. Partnerships: improving quality and effectiveness through international best practice

The quality of partnerships needs to be measured and improved to ensure they are delivering as effectively and efficiently as possible. Partnerships need to:

- **Be set up properly:** they must be suited to the context; have the right partners on board; have defined objectives, roles and responsibilities; and offer clear value to all partners.
- **Operate effectively:** this includes strong project management, with partners delivering on their commitments, communicating well, tracking progress and conducting regular reviews.
- **Manage the relationship:** this means ensuring that the partnering principles of equity, transparency and mutual benefit are observed, and that all partners are engaged and committed.

Creating an agreed set of international best practice standards against which partnerships can be measured would act as a tool for continuous improvement, as well as help to build a common understanding of good partnering. Structural targets could include the percentage of partnerships operating above a certain standard.

## 3. Organisations: becoming ‘fit for partnering’

Whether government or business, NGO or donor, UN or academic, one of the most common challenges to partnerships is that organisations are rarely set up to partner effectively. Operational and administrative obstacles can lead to considerable professional and personal frustration, slow partnership development and missed opportunities.

Through its work across sectors, TPI has identified four key elements for an organisation to be ‘fit for partnering’:

- **Strategy:** partnership must be built into organisational strategy, given an assigned budget, and be advocated strongly by leaders at both international and country level.
- **Processes:** from assessing a potential opportunity through to appropriate legal agreements, internal systems and processes must be designed to aid a partnership approach. In the case of government, this includes ensuring laws and regulations are supporting and not obstructing partnerships.
- **Skills:** staff must have the right skills, guidelines and support, for example, through a dedicated partnership support unit.
- **Culture:** organisations need a culture that appreciates the strengths of other sectors and includes a willingness to innovate through collaboration.

TPI has worked with a number of UN agencies and other international organisations to create a Fit for Partnering assessment system, which could be used to provide a standardised rating of development actors, with structural targets set for the percentage of governments, institutions and international organisations above a certain rating.

## 4. Individuals: building essential partnering competencies

As mentioned above, building effective public-private collaboration is challenging and requires a specific set of competencies to ensure that they deliver. TPI structures its partnering training courses around four

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‘MUST-have’ partnering competencies: a partnering Mindset; Understanding of other sectors; relationship and negotiation Skills; and Technical knowledge of the partnering process.

The adoption of a common standard across any organisation’s courses would allow the number of trained individuals to be tracked, and the setting of structural targets on that basis.

Further, there is currently a major gap in general education around partnering. A target could be introduced around the number of business schools and public policy schools incorporating concepts of public-private partnerships for development into their curricula.

#### Agreeing common definitions

One issue affecting the wider adoption of partnerships is the lack of clarity of the word itself. The term can be used to describe a hugely diverse range of relationships. ‘Public-private partnerships’, for instance, include anything from a simple business-NGO partnership for development, to a profit-making regulated arrangement for business to deliver public services or infrastructure.

In general, governments are more likely to have the latter arrangement in mind, while civil society actors are more inclined to resist it as a form of privatisation. This hugely muddies the issue and reduces the acceptance of business as a legitimate development partner.

A common set of definitions for different forms of collaboration would reduce the confusion. Meanwhile, international best practice standards could significantly improve the time it takes to develop partnerships and the quality of what is created.

#### Measuring value and bridging the evidence gap

Evidence of the effectiveness and efficiency of partnerships in delivering sustainable development is limited. In some cases, this is because they are tackling complex issues that require a partnering approach, so there is no non-partnering alternative for comparison. In other cases – just as with any development project – impact might come



▲ A kindergarten run by Al Inshaat Charity with support from UNICEF in the besieged city of Homs, Syria. The Partnering Initiative has worked with a number of UN agencies and other international organisations to create a Fit for Partnering assessment system

a significant time after implementation, making attribution difficult and data costly or impossible to collect.

Nevertheless, a well-conceived partnership will have specific, measurable objectives and a clear theory of change to describe the impact expected. At the very least, all partnerships should report against these. We also need to measure more systematically the value added by partnerships – understanding how the partnership approach has achieved objectives in ‘better’ ways (e.g. more transformational, sustainable, integrated, context appropriate), as well as appreciating the ancillary benefits that may come, such as capacity development, technology transfer between sectors, better trust between government and business etc.

While the sheer diversity of partnerships rules out a one-size-fits-all

approach to reporting, if partnerships are to continue their rise as an essential development approach, they must justify the resources invested and demonstrate the value they are creating for both business and society.

#### Post-2015 – an opportunity not to be missed

Global understanding of the role of business in development has changed dramatically since the UN Millennium Development Goals were adopted in 2000. The post-2015 agenda provides an incredible opportunity to change the way we think about and ‘do’ development.

By appreciating the interconnectedness of the prosperity of business, society and the environment we can capitalise on the strengths and resources of all sectors in a way that achieves new levels of innovation and sustainable impact.

And by building the infrastructure for partnerships, we can genuinely achieve a vision in which collaboration is the new normal and business plays its full role as a partner in post-2015 development. ●



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Griam Kipapa is one of many young men living near the Kansanshi mine in Zambia whose lives have been transformed through participation in the conservation farming program sponsored by First Quantum.

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# Myth-busting: a *sine qua non* for Africa's 21st century development

*Persistent misconceptions about the challenges that Africa faces are preventing progress. If the continent is to achieve development this century, the real issues must be addressed*

By **Sylvie Aboa-Bradwell**, Founder and Director, Policy Centre for African Peoples, London, UK

**B**ack in 2008, a group of like-minded individuals created the Policy Centre for African Peoples to provide a platform for the engagement and education of Africans and key stakeholders in the UK, Africa and elsewhere. We were tired of how debates on African topics were monopolised by non-governmental organisations (NGOs), celebrities, politicians and entrepreneurs purporting to seek the development of Africa when, in fact, their *modus operandi* and, in some cases, their existence, depended on the perpetuation of aged-old myths that were hindering this development.

There will always be countless myths about all sorts of people and places. Thus, at first glance, it may seem pointless and foolhardy to condition Africa's development to the debunking of widely held but false ideas. However, certain myths are so detrimental to African development that rebutting them is imperative for Africa to achieve development in the 21st century.

## **Myths, foreign handouts and African development**

Probably the most ingrained myth about Africa is that its main challenge is poverty. In reality, Africa is the world's most resource-rich continent. Poverty is not its problem, but a mere symptom of the real problem that has been gnawing at this continent for centuries: the squandering of its wealth by leaders and partners that are

unaccountable to African populations.

With a few exceptions, from the 16th century onwards, the most powerful African leaders have been those who have disregarded their people's interests to satisfy their personal desires and those of their successive partners, including slavers, colonialists and big businesses, both foreign and local.

The corollary of the aforementioned misconception is the 'save Africa' myth, which stipulates that poverty-stricken Africa desperately requires aid from foreign governments and charities to fulfil the basic needs of its people, and achieve development. In fact, foreign aid and what could be termed the 'beggary industry' fomented by international NGOs are major contributors to Africa's continuous underdevelopment.

slave-trading were fundamentally evil and different from us. In fact, they were just normal human beings who were as fallible and motivated by misconceptions and self-interest as many of us. Furthermore, slave traders and owners were often convinced that they were helping the slaves by introducing them to civilisation, Christianity, etc. In other words, foreign aid and charitable engagement, our main policies towards Africa, are motivated by the same thinking that made some people believe that slavery was good for Africans. Though these policies are happening in modern times under the illusion of change, their repercussions are equally damaging to African populations and detrimental to Africa's development.

The most pernicious consequence of foreign aid and charitable donations for

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## ***Certain myths are so detrimental to African development that rebutting them is imperative***

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In the past, the lifelines of unaccountable, self-interested African rulers were the weapons and goods supplied by their slave-trading partners. Nowadays, they rely on foreign handouts for the subsistence of their populations, while they block their countries' development by wasting their wealth.

This parallel between past slavers and modern-day individuals and organisations may be difficult to accept because of another myth. We often assume that our predecessors who engaged in slavery and

Africa is that they are depriving African citizens of the basic human right to hold their leaders to account. In so doing, they maintain the status quo by prolonging the centuries-long oppression and underdevelopment of African populations.

The myth of Africa as a continent repeatedly plundered by outsiders conceals the reality that throughout the centuries, some African elites have been agents and beneficiaries of the domination of African populations and looting of African wealth. Most of today's



© Getty

African leaders are the beneficiaries of a fundamentally corrupt system whereby power was generally handed not to the most principled, responsible or honest African individuals, but to those who were the most shameless, corrupt and eager to serve their own interests and those of their foreign partners.

Too often, those who point to African history to explain the current state of affairs are accused of playing the ‘blame game’. This overlooks the uniqueness of African history. Africans have had their societies and self-confidence completely

shattered by centuries of slave trade, colonisation and neo-colonisation. Thus, unlike the people of China, India, and other former colonies, they generally lack the basic self-assurance necessary to design appropriate solutions to their specific problems and are more likely to internalise foreign misconceptions about themselves.

#### The way forward

This does not mean that there is no hope or way forward for Africa in the 21st century. Simply debunking harmful myths

▲ Relatives of Congolese soldiers stand in the former palace of late dictator Mobutu Sese Seko, in Gbadolite. Mobutu, who ruled Zaire (now Democratic Republic of the Congo) for 32 years, gained notoriety for the scale of his embezzlement and luxurious lifestyle

is not the endgame, but an indispensable first step on the long road to Africa’s development. This should address the following five areas.

Africans must realise that though there is no single solution for all the 53 African states, there is no template outside Africa for rebuilding and developing a continent



© Reuters

broken by centuries of slave trade and brutal colonisation. They must actively nurture their self-confidence and self-reliance to devise and implement their own development action plans.

To build up their self-confidence, Africans must counteract external misconceptions with their own narratives based on reality. For instance, rather than allowing themselves to be lured into a false sense of optimism by the current 'Africa rising' discourse promoted by foreign analysts, Africans could develop their own realistic yet inspiring and powerful narrative: the 'building Africa' vision.

Being an African in the 21st century is to have a unique opportunity to make history by building and developing a continent rich in natural, human, cultural and other resources. No one with Africa's best interest at heart would lend credibility to the claim that it is rising while most African populations do not benefit from its wealth, and while they are relying on foreign interventions to protect them from civil wars, ebola epidemics, etc.

It is imperative to acknowledge that foreign handouts will never be conducive to Africa's development. African leaders

should not be allowed to use foreign aid and international NGOs' work as a magic carpet to ride through corruption, incompetence, oppression and disregard for citizens' welfare.

Nobody, African or otherwise, has a basic human right to be a ruler. Whoever cannot use their country's resources to feed and protect their people, build schools or hospitals, and generate national development should leave power, not rely on foreign governments and NGOs to do these things.

Ending Africa's dependence on foreign handouts will trigger social, political and structural reforms leading to the rule of law, peace, transparency and democratic accountability that Africans need to use as resources to develop their countries. Botswana and Mauritius, which are democratic, peaceful, non-dependent on foreign handouts, and richer than, say, China in terms of GDP per capita, show that this is not an unachievable goal for African nations.

Partners of African countries need to develop new, bold and forward-thinking policies based on evidence and enlightened self-interest, rather

▲ Supporters cheer Mauritian Prime Minister Navinchandra Ramgoolam during a rally in the capital, Port Louis. Mauritius is a rare example of a peaceful, democratic and relatively prosperous African nation

than age-old myths. For instance, the implementation of initiatives aimed at promoting transparency, peace and democratic accountability on the one hand, and responsible entrepreneurship by Western companies operating in Africa on the other hand, would be far more effective in terms of preventing the West from losing ground to the emerging economies in Africa, than the current emphasis on foreign aid.

Equally, distancing themselves from the vulture policies that the 'save Africa' myth compels them to adopt – such as the use of pictures of dead and starving Africans to obtain donations and trigger humanitarian interventions – would enable international NGOs to focus their resources on more proactive and effective policies. These include tracking and repatriating looted funds, fighting tax evasion by multinational companies, and combating the distortion of global trade by developed countries' agricultural subsidies. ●



# Sharing responsibility globally

By **Carla Coloma**,  
Environment and Corporate Social Responsibility, Mango

**F**or some time now, society has been familiar with the concept of globalisation, but perhaps we have not realised the full consequences of this new trend.

Many physical, legislative and bureaucratic barriers have been removed to give way to more competitive markets and better access to resources for the global population – which entails the importing of goods from, but also the exporting of waste and contamination to, other generally less developed countries.

Obviously, this change has meant that the supply chains of companies have increased in size, which presents a complex challenge for socially responsible companies concerned that all the parties involved play by the same rules. Adapting to the rules of others has never been easy, and if we add ethnic, cultural and social diversity to this, the challenge becomes more complex.

In such cases, faced with a common goal, it is useful to establish agreements and projects in order to obtain guaranteed results. To achieve this, the Greenpeace organisation combined the resources necessary to launch a global initiative within the fashion world with a key common objective: to manufacture clothing without using hazardous chemicals by 2020 – the DETOX project.

This was an extremely ambitious and large-scale project, yet little by little the initiative received a positive response and many companies, Mango among them, decided to sign up.

The knowledge and experience of large companies can be transmitted throughout the supply chain to less developed countries, yet this is a task which takes time. It requires clear understanding of the

situation within each country and of each specific organisation. All this helps generate greater added value to the supply chain.

It is now nearly 18 months since Mango first signed up to the DETOX project and there has been a major communication drive to explain to suppliers, one by one, how to make their production processes more environmentally friendly – this has entailed a thorough technical analysis of the waste waters of each factory.

In the beginning there was a lot of uncertainty throughout the supply chain, but the collaboration has been very positive and we have found that suppliers value and appreciate the time dedicated to them. They also realise that changes are taking place in the market, which is why it is essential for them to adapt in order for their products to remain competitive and to allow them to access more strategic markets.

The esteem employees feel for their company depends largely on what message is transmitted to them, and in the same way we have to consider external employees as a part of our team. We involve them in projects that transmit our company values to them and develop closer ties that go beyond the purely economic.

An increasing number of people realise that every challenge can be approached as an opportunity and that those who do not innovate in every area, including their approach to the environment, will not remain in leading positions for long. Fortunately, we have encountered many leaders along the way. ■

## MANGO

# Building partnerships that work

*Partnerships are not a goal in their own right and all too often they fail to deliver. However, successful templates do exist and they have proved to be scaleable*

By **Michael O'Neill**, Assistant Administrator and Director of the Bureau of External Relations and Advocacy, United Nations Development Programme

In the world of development, we love to talk about partnerships. We applaud the varied combinations created between private and corporate philanthropy, and the public sectors, non-governmental organisations, UN agencies and so on. Such partnerships are hatched in a spirit of optimism and heady promises of success. But partnership is not an objective in itself. Partnerships are valuable only if they strengthen our ability to deliver significant results in human development.

Regrettably, many partnerships – private and public – are weak and in some cases often fail. The UK's Chartered Institute of Personnel and Development (CIPD) recently noted that while the number of all types of partnerships is increasing, the failure rate is high.

Effective partnerships, however, are fundamental to accomplishing widespread change. As the 2015 deadline of the UN Millennium Development Goals (MDGs) approaches and as we look ahead to the post-2015 world, partnerships for sustainable development are going to be even more pivotal. So partnership cannot simply be a word delivered to impress.

Real partnerships are marked by solid investments furnished by every partner. The cornerstones of such partnerships will be a shared vision of the post-2015 world. The vision is centred on aspirations to eradicate poverty, foster inclusion, and push for sustainable development, so we can accelerate economic and social progress.

This shared vision needs to be accompanied not only by a commitment to pledge resources, but also by a commitment to transparency and accountability.

Fortunately, we have both the templates for successful development partnerships, and evidence that they can be developed on a large scale. The template is the joint UN-World Bank MDG Acceleration Framework (MAF). It helps identify hurdles that limit progress towards specific goals, and creates practical solutions that pull together a range of partners to help accomplish those goals.

In 2010, Colombia developed a MAF plan to better implement its Cartagena Policy for Productive Inclusion for the poor and vulnerable – Política de Inclusion Productiva para Población en Situación de Pobreza y Vulnerabilidad.

Local government applied the acceleration framework to identify bottlenecks impeding people's inclusion, such as poor labour market information and a lack of coordination between government departments, businesses and people.

To improve transparency, the UN Development Programme (UNDP)

supported local government by strengthening institutional coordination, facilitated public-private alliances with an inclusive business approach, strengthened the capacity of government units to produce data and analysis of labour market information, developed a roster of experts in business counselling, and

developed access to innovative mechanisms of financial services such as self-help groups, microcredit, electronic banking and investment angels. These steps reinvigorated and scaled-up a vital existing avenue called CEMPRENDE – centres that provided training, technical assistance, and access to credit for facilitating employment and entrepreneurship.

Efforts were made to forge partnerships between local government, civil society and business. The local chamber of commerce, and national initiatives, such as the Labour Market Observatory and the Training for Work programme in the tourism sector, worked together to identify concrete opportunities, for instance linking vendors and suppliers to 'anchor firms', such as hotels that could source some of their purchases locally.

Funds from local and national governments, businesses, the chamber of commerce and external donors were pooled to help strengthen local capacities, as well as set up a microcredit seed capital fund. With more focused outreach and targets to assess accountability, considerable progress was achieved.

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***Partnerships are valuable only if they strengthen our ability to deliver significant results in development***

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The number of women using CEMPRENDE's services shot up from 36 per cent to 62 per cent, and women's share of the total value of microcredit loans rose to 62 per cent, way past the 50 per cent target. Based on this experience, similar efforts are underway in other territories across Colombia.



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▲ Cartagena was one of five Colombian territories where the Millennium Development Goals Acceleration Framework was applied to the Colombian government's productive inclusion programme

At UNDP, and in the broader UN system, we see the private sector, along with civil society organisations and governments, as a vital ally in driving forward human and sustainable development. It can play a key role as an engine of economic growth and job creation, and can contribute to tackling development challenges and address climate change.

As dialogue on the post-2015 development agenda continues, many civil society actors have recommended some key actions to ensure better accountability of governments, the private sector and all development partners. Such actions include:

- regular forums to evaluate progress jointly;
- stakeholder groups to assess progress in implementation;
- availing the expertise of collective groups such as municipal councils;
- using new media including for real-time monitoring;
- developing public, private and civil initiatives to provide a clear, concrete and inclusive review of challenges facing global development.

It will take that kind of accountability to deliver on objectives and to generate achievements.

While CEMPRENDE in Colombia represents a path towards more meaningful partnership, it also provides important lessons. The UN, as well as governments and development partners, must take

a critical look at the way we work and challenge the status quo. We need to apply new knowledge to tackle the challenges we face, so we can expand on our success and be more effective, accountable and fit for purpose in a post-2015 world.

In the meantime, we need to continue laying the foundation for that post-2015 era through the MAF. At present, it is being applied to different goals and targets in over 50 countries, and the results are promising.

Along the way, we have learned that by constructing strong partnerships to examine problems and risks, sharing in implementing solutions, and being committed to securing results, we can make remarkable progress in beating back poverty and hunger, building resilience, and advancing human and sustainable development. ●

# Climate action needs to gear up, now

The climate is changing fast - and global society must transform quickly to keep pace. Linking people to share climate and development solutions is vital



© S A Wager/Fotosearch

■ The climate is bound to keep changing in the decades to come, with warming trends projected across most world regions. These will affect the poorest the most



**Sam Bickersteth**  
Chief Executive, Climate and  
Development Knowledge  
Network (CDKN)

## Climate change is happening, and affects the poorest the most

**T**he impacts of climate change are all around us. During the past 50 years, the atmosphere and oceans have warmed, the amounts of snow and ice have shrunk, sea levels have risen.<sup>1</sup>

Climate impacts add to the burden of people living in poverty. People's health is affected by heat stress, and their livelihoods are harmed by poorer harvests and damage to homes and businesses. They are affected indirectly, by higher prices for food and other essentials.

Droughts in the 1970s and 1980s, followed by recurrent droughts and floods in the 1990s and 2000s, destroyed crops and worsened food security problems in the Sahel. Scientists have linked these extremes with

climate change.<sup>2</sup> The Intergovernmental Panel on Climate Change (IPCC) has issued its starkest warning yet that human emissions of greenhouse gases are to blame for global warming.<sup>3</sup> But if human activities have largely caused climate disruption, then human ingenuity can get us out of this predicament, too.

Around the world, governments, businesses, communities and individuals are pioneering development solutions that are compatible with the changing climate. To meet the scale of the global challenge, these emerging lessons must be shared effectively to effect broader, positive change. This mission is at the heart of the Climate and Development Knowledge Network (CDKN)'s work.

## Embracing the 'green economy' will pay dividends now and in the future

Adapting to climate change is essential. The climate is bound to keep changing for decades to come, even if we stop emitting greenhouse gases today, because of climatic factors beyond our control.

The poor are most vulnerable to climate change impacts, so reducing social inequalities, and improving access to basic services like water, sanitation, education and health can increase resilience to climate change.

Tackling the root causes of climate change is equally important. Reducing and avoiding harmful greenhouse gas emissions means slashing fossil fuel use and adopting cleaner, more efficient technologies across the global economy.

The costs are less than we might think. 'Business as usual' development would result in global consumption growth of 1.6–3% a year. Taking ambitious climate mitigation measures would reduce this consumption growth by around 0.06 percentage points per year over the 21st century.<sup>4</sup> This is before we account for the many, positive economic and social benefits of low emissions development, like creating sustainable jobs, reducing traffic congestion, indoor and outdoor air pollution, or reducing a country's dependence on fuel imports.

The message is clear: we can fight climate change and still prosper, but the sooner we act, the less costly mitigation action will be.

*“The message is clear: we can fight climate change and still prosper, but the sooner we act, the less costly mitigation action will be”*

#### Knowledge is power

Making the transition to a lower-emissions, more climate-resilient future calls for a new way of thinking. Knowledge networks will play a key role in diffusing new approaches and catalysing action. This is the Climate and Development Knowledge Network (CDKN)'s business.

- We support our partners to innovate.
- Together, we measure and reduce carbon emissions and reduce climate-related risks.
- We spark new thinking and practice in climate-friendly investments.
- We facilitate new partnerships among communities, businesses and government leaders to design and deliver climate-compatible policies, and share learning.

CDKN is an alliance of Southern and Northern organisations that combines research, advisory services and knowledge-sharing in support of locally owned and managed policy processes.

From flower companies in Kenya, to state government officials in India, to civil society in Latin America: all are working in partnership with CDKN to plan and resource development that can deal with current and future climate change.

Sharing information can ultimately save lives. In Senegal and Kenya, we've supported meteorological agencies to broadcast seasonal weather forecasts to remote areas. This has helped farmers to plant their seeds at the right time and harvest a good crop, even as rainfall patterns are changing. In Ahmedabad, India, we supported South Asia's first Heat Action Plan. Now city workers help move vulnerable residents into cooler environments during heatwaves, which is averting premature deaths.

In 2015, we hope to see effective, coherent and progressive global policy frameworks emerge for international development, disaster management and climate change. We find that the mission of CDKN has never been more important. Our results show that action can be taken to transform lives, livelihoods and economies, making them more resilient and prepared for a low carbon future. ■

1. IPCC (2013). *Physical Science of Climate Change, Summary for Policy Makers*.

2. IPCC (2014). *Climate Change: Impacts, Vulnerability and Adaptation, Summary for Policy Makers*.

3. IPCC (2013). *Physical Science of Climate Change, Summary for Policy Makers*.

4. IPCC (2014). *Climate Change 2014: Mitigation of Climate Change, Chapter 10*.



■ Development of renewable energy can boost access to energy in developing countries as well as improving countries' energy security

# South-South cooperation

*As emerging economies increase their development assistance, focus has moved to the role that South-South cooperation can play in transforming the economies of low-income countries*

By **Dr Debapriya Bhattacharya**,  
Distinguished Fellow, Centre for Policy  
Dialogue, Dhaka and Chair, Southern Voice on  
Post-2015 International Development Goals

**T**he history of South–South cooperation (SSC) goes back more than six decades. With roots in the 1947 Bandung Conference of the Afro-Asia developing countries, the establishment of the Non-Aligned Movement in 1961 and that of the Group of 77 (G77) in 1964 gave institutional embodiment to the concept. A number of events and initiatives, from the creation of the UN Conference on Trade and Development (UNCTAD) in 1964



to the High-Level UN Conference on SSC in Nairobi (2009), have subsequently promoted the cause. One of the high points in this process has been the establishment of 19 December as the annual UN Day for South-South cooperation.

The content of the SSC process was provided, *inter alia*, by:

- the demand for a new international economic order;
- efforts to operationalise technical and economic cooperation among the developing countries;
- the adoption of global targets to provide international development assistance and



capacity-building support to developing countries in the areas of trade and investment, health and education; and

- regulatory and institutional reforms.

The realisation of all these aspirations implied that SSC needed to be mainstreamed in the national development framework of the developing countries – both as a provider and recipient of cooperation inputs.

Developing countries, particularly low-income nations, are currently exploring the potential role that SSC could play in promoting structural transformation of their economies. This quest has been fuelled by the dynamism demonstrated by the emerging economies and the backdrop of multiple crises experienced by the developed world in the recent past.

The decline in the flow of foreign assistance from developed countries following the global economic and financial crisis has also prompted the low-income countries to take further interest in SSC. The promise of reforms unleashed by the adoption of the Paris Principles on aid effectiveness, with its emphasis on the new-found concept of development impact of aid, has provided a set of reference points to take a fresh look at the modalities and outcomes of SSC.

Currently, there is an increased focus on SSC, as it is considered one of the potential instruments of implementation of the post-2015 development agenda. The recent collective decision by Brazil, Russia, India, China and South Africa (BRICS) to set up a new development bank and reserve fund has also added new momentum to SSC dynamics. Meanwhile, initiatives to create mega-free-trade agreements, such as the Trans-Pacific Partnership embracing North and South, have posed new challenges to SSC.

Alongside the evolving process of SSC, Southern economies have emerged as important players in the international economic landscape. In 2012, the global

South accounted for about 36 per cent of the world's GDP, up from less than 22 per cent in 2000. In terms of global industrial output, over the same period the contribution of Southern countries rose from 27 per cent to 48 per cent.

The Southern share in global exports increased from about 40 per cent in 2000 to approximately 45 per cent in 2012. Meanwhile, Southern countries' share in global inward flow of foreign direct investments experienced a major upswing, from about 19 per cent to more than 45 per cent. And the share of global remittance flows attributable to Southern countries increased from about 60 per cent in 2000 to more than 71 per cent in 2012.

During the last decade, the Southern countries have significantly increased the flows of goods, services, finance and technology among themselves. They have also appeared on the global scene in the role of new or non-traditional donors, often preferring the label 'development partners'. Estimates based on OECD data show that developing countries as a group contributed around 6.3 per cent of total Official Development Assistance (ODA) in 2011, of which BRICS countries accounted for 2.6 per cent and the Arab countries – a major component of the global South – contributed another 3.7 per cent of the global ODA flow. Admittedly, these figures suffer from significant underestimation due to absence of a comprehensive data set.

The SSC process, therefore, has not only achieved institutional maturity over the decades, but has acquired enough economic muscle to make its presence substantively felt in the global arena.

### Second-generation issues

The 'coming of age' of SSC has also brought to the fore a number of 'second-generation' issues regarding its future prospects. Addressing these issues now is vital if the powerful ideas informing SSC are to be fully realised.

First, the ideas and practices underpinning the SSC paradigm still suffer from a lack of adequate clarity and

◀ Locals cross a Chinese construction site using a makeshift bridge in Viana, about 30km east of the Angolan capital, Luanda



© Reuters

coherence. With the expanding role of SSC in the global economy, the process and its manifestations are now in need of reconceptualisation. This is necessary to develop a theoretical construct based on a common set of guiding principles for the process. The underlying principles of SSC, among others, include South–South solidarity and partnership, respect for national sovereignty, selection of demand-driven projects, and national ownership of the process.

It is often stated that the contributions made in this regard are voluntary and not related to the colonial past of the providing country. Nevertheless, there is yet to be an analytical construct in place that can coherently accommodate these principles in an integrated fashion. Moreover, much debate exists about what would be the measureable indicators of these principles.

Second, it is now increasingly felt that, through a careful scrutiny of the incidence of SSC, a framework and ‘tool box’ have to be agreed upon to generate assessments of the comparative effectiveness of the SSC model. SSC is often referred to as exchange of funds, resources, technology and knowledge among two or more developing countries.

But besides episodic review of specific countries’ experiences, there is hardly any systematic empirical study that establishes the general conditions under which SSC takes place and identifies the contextual parameters that makes such cooperation ‘successful’. The challenge is to develop the performance indicators of these conditions. Thus, it will be much more helpful if an assessment framework of SSC can be

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### ***A critical question is whether the Northern actors will gradually abdicate their global obligations***

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designed to evaluate – both ex-ante and ex-post – the effectiveness of the current practices of SSC. These types of evaluation need to be done in terms of economic, social and environmental impact and implications of specific intervention done under SSC.

Third, it is also tempting to ask whether in the near future one may see the emergence of an international

▲ Brazil’s former President, Luiz Inacio Lula da Silva, jokes with Nigeria’s then Vice President Goodluck Jonathan at the Africa-South America Summit in Margarita Island, Venezuela, in 2009

development cooperation system in which the SSC model and the aid regime centred on the OECD Development Assistance Committee will leverage each other to create greater development impact.

Improving our current understating of the efficacy of triangular cooperation involving South–South–North is also becoming important. A critical question in this regard is whether the traditional Northern actors will gradually abdicate their global obligations and commitments in favour of the emerging South, putting the latter under disproportionate pressure. The issue of creating an integrated and universal global development framework, therefore, also demands our close attention.

It is expected that the international development community will intellectually engage to explore these and other emerging issues concerning SSC in the post-2015 development discussions. However, it will be appropriate for researchers and analysts in the global South to take a lead in this endeavour. ●



# Aid with no catches



By **Jonathan Duffy**,  
ADRA International President

**H**elping those who are displaced, living in poverty and suffering is not just about providing aid but engaging with the private sector to help communities break the cycle of dependency and thrive independently.

The Adventist Development and Relief Agency (ADRA) has a long and successful track record of engaging communities around the world and is currently working in 130 countries to help relieve suffering and empower individuals.

ADRA focuses on delivering aid in five major development centres: food security, economic development, primary health, disaster preparedness and response, and basic education. Last year we helped provide aid to over 12.5 million beneficiaries around the globe and over the course of our 30-year history we have helped in excess of 200 million people.

As a major partner of the United Nations, ADRA believes strongly in working with local authorities and leaders to engender trust and kick-start collaborative change. However, there is another piece to the aid puzzle that is fundamental to providing real and lasting change in communities.

A recent project, lasting five years, which took us to Mozambique, saw the introduction of a revolutionary new way of providing aid which depends on engaging the private sector.

The project focused on delivering a sustainable food programme and economic development in the area through building business resilience and moving local farmers from survival farming to farming as a business.

The project centred on the creation of a farmers' association that is now run as a credible, legal organisation and represents farmers in the local region. The establishment of the association has multiple benefits.

Firstly, it focuses on identifying which crops are in demand from the private sector and encourages farmers to respond to demand for specific crops, which they can then sell.

It has become the touch-point for the private sector, whether it is supermarket distributors or crop exporters, who can be assured the association is a legitimate organisation and has sufficient members to fulfil orders and contract obligations, something which a single farmer working on their own would not be able to do.

And the association can also be a conduit through which farmers can access micro-finance, something they may have previously been denied due to a lack of documentation or collateral.

This way of working provides a value chain approach to delivering aid, which is crucial if farmers are to build sustainable business and communities are to become more resilient.

There is a collaborative element to working in this way; with farmers discussing and implementing best practice and orientating production to meet demand rather than working in silos purely to feed themselves, they are creating a business and becoming part of the value chain.

Setting up these projects is not simple but it can be done. Most often the biggest hurdle is convincing local communities to accept that ADRA is there to help and that the aid does not come with any 'catches'. With projects spanning five-year timeframes, ADRA has the ability to integrate in the communities, share struggles and find solutions that really work, as well as oversee a handover that ensures the intended beneficiaries really do benefit.

When ADRA's project finishes we aim to leave communities with a better understanding of, and place in, the market and knowledge about how to conduct a micro-market service and orientate production to meet market demands.

Furthermore the farmers are supported not only by their own trade organisation but also community leaders and local governments and authorities with whom ADRA works in tandem to deliver the best outcomes.

The private sector undoubtedly is a winner, with access to another source for much-needed crops, but the biggest winners are those who make up the local communities who are given security of jobs, food and, most importantly, resilience. ■





# Sustainable trade for better development

*Trade and investment can be powerful drivers of growth and jobs. The current MDGs touch on this, but there is scope to go deeper*

By **Arancha González**, Executive Director, International Trade Centre

In the hour it will take to read this publication, \$3 billion in trade and foreign direct investment (FDI) flows would have been transacted. And this is happening every hour of every day. This has one fundamental outcome – an increasingly integrated world built on the framework of exports, imports and investment.

Trade and FDI are powerful drivers of growth. They bring technological change, which is a critical input for increased productivity and innovation. And a growing body of evidence is confirming that productivity can trickle down to even the most vulnerable in the economy and contribute to improved livelihoods. But to benefit from this, economies must place trade at the centre of their development planning and ensure a business climate that is favourable and facilitative to investments.



▲ Incomes can be substantially increased by creating connections between local producers and regional and global markets. These Costa Rican coffee producers are concentrating on premium quality coffee for export

Openness to trade is a credible way to help a country's small and medium-sized enterprises (SMEs) benefit from the network of value chains that now dominate the trade landscape. Take Senegal, for example, where tomato and bean exports are dominated by multinational companies. Many smallholders have started to supply their products to those companies and are now incorporated into their supply chains. Others have started to work for these companies and, as a result, the incomes of households connected to these companies have more than doubled in many cases.

Large companies are the intermediary between smallholders and global markets. They transfer technological know-how and facilitate access to foreign markets. Increasingly these companies are recognising the importance of giving back.

Take Unilever or Nestlé, for example, which seek to reinvest in the communities where they work. Increasing the level of development in these economies has a number of well-known positive

externalities, including increasing productivity and raising incomes, which actually creates new markets for both these large companies and the SMEs that participate in the value chains.

### Creating connections

There are a number of examples where technical assistance and capacity building can create these connections between local producers and regional and global markets. One example of how the International Trade Centre (ITC), which I head, has done this is in assisting coffee farmers in developing countries, such as in Uganda and Burundi, to increase the quality and size of the coffee beans they grow.

The capacity building is premised on ensuring the retention of knowledge in-country as it is delivered through national producer organisations. This helps establish links between local producers and foreign coffee buyers and an outcome of this training has been that local producers are today able to sell their produce at a

rate 400 per cent higher than the original price. That is good for business, but is also good for development. Individual farmers can pay school bills for their children and medical care for their families; women can become more empowered; and quality of the final product is improved.

These examples from Senegal, Burundi and Uganda illustrate how trade can contribute to development in developing countries. The potential benefits are even more impactful.

And this potential can really only be translated into reality if the business and economic environment is transparent and predictable enough to allow firms to navigate effectively and function in an increasingly competitive global business environment. But this may not be enough. Internationalisation requires building a



▲ US Secretary of State John Kerry and India's External Affairs Minister Sushma Swaraj arrive to address a joint news conference in New Delhi, 31 July 2014. India vetoed the WTO Trade Facilitation Agreement, a global deal designed to advance trade liberalisation

stronger capacity to trade, becoming more competitive. Access to market and trade intelligence about new opportunities and innovative solutions is the next step.

Enterprises need to know where business opportunities lie and how to take advantage of them. To address the information gaps that exist in many developing countries, trade and investment-support institutions play an important role.

They collect and analyse trade information and make it publicly available in a targeted way to relevant enterprises

and individuals. Building the capacity of these multipliers is critical and hence this is a fundamental pillar of ITC's work.

Another challenge is to ensure a business environment that supports trade and innovation, and which helps companies to navigate the multitude of regulations that may restrict rather than facilitate trade.

Creating an environment that benefits all is proving frustratingly elusive. The Trade Facilitation Agreement, struck by members of the World Trade Organization in December 2013, was a global framework of national and regional reforms to lower the cost and time of doing trade. India vetoed the agreement in July 2014, refusing to implement it on food security grounds.

Different research shows varying levels of impact of improved trade facilitation,

but essentially points in one direction: streamlining the complexity of regulations can lead to greater efficiency in producing and trading goods and services.

And let's not forget that cutting cross-border red tape is not just a choice, it is a must for small businesses.

### Forward-looking policies

Investing in trade in the 21st century is not limited to investing in goods and processes. It is increasingly about services, about the knowledge economy. This greater focus requires investment in skills, education and

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## *Investing in trade in the 21st century is not limited to investing in goods and processes*

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knowledge transfer. In sum, this mandates investment in people. Investing in trade is investing in people. Investing in people is investing in societies.

The ongoing discussions on what should follow the UN's Millennium Development Goals (MDGs) provide an excellent opportunity to emphasise the development externalities of investment in trade for growth. Not just any trade, but one that is supportive of sustainable development.

There is scope as we look ahead to develop and finalise a post-2015 development agenda and as we craft Sustainable Development Goals, to have a greater emphasis on the role of public-private partnerships in eradicating poverty. The current MDGs had made a tangential reference to trade, but there is scope to say more and go deeper in creating a measurable target in this area.

Today there are few who do not understand the potential of trade to create growth, jobs and opportunities. But it is not an immediate process. The invisible hand can only go so far. This requires investment, forward-looking policies and a global compact committed to make trade work for development. It is in our hands to do it. ●



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# Financial remittances - a tool for development?

*Remittances provide essential funding for communities in developing countries, but often at a high cost – human and financial – to migrants. Should they be integrated into development finance?*

By **Ambassador Laura Thompson**,  
Deputy Director General, International  
Organization for Migration

**T**he hard-earned money that migrants send every day to their loved ones back home represents a vital economic lifeline for millions of struggling families around the world. These remittances improve standards of living in countless ways and help to make vulnerable communities more resilient to shocks, like economic downturns and natural and man-made disasters.

For recipients, remittances increase household income and provide the resources to pay for basic needs such as food, education, housing and medical services. In disaster-prone areas, remittance-recipient households are likely to be more resilient to the effects of natural hazards through better housing, increased ability to rely on savings as a buffer to cope with unexpected events, and improved access to communication networks and emergency information before and during disasters.

Remittances are also a form of social insurance against political and economic crises and a kind of livelihood diversification, particularly in the face of climate change. Egypt is a good example. Migrants provided for their families in the country when political instability struck during the Arab Spring. During this time, remittance inflows increased while investors and donors were pulling out.

The global scale of remittances is staggering. The World Bank expects that by 2016, the amount remitted through

official channels on an annual basis will be more than \$540 billion, which is roughly the equivalent of the GDP of Sweden.

With the number of international migrants expected to rise from 232 million today to 300 million in the next 15 years, a global increase in the amount of money remitted is likely to follow suit. In addition to financial help, non-monetary (social, technical or in-kind) transfers made by migrants and diaspora also support people and communities in their home countries.

## **More resilient, but costly**

In recent years, foreign direct investment and overseas aid have been shown to be much more volatile than remittances. In an uncertain economic environment, remittances are a vital source of foreign currency for many countries, with remittance inflows equalling or exceeding foreign exchange reserves in at least 50 developing countries.

now if the cost of sending remittances could be reduced by five per cent over a period of five years, in line with the (now expired) 5x5 Objective, endorsed by the G8 in 2009.

Many migrants use informal channels to send money, rather than banks or authorised money transfer operators, because they are more convenient or cheaper. Often they have little choice but to do so, because they cannot access formal services due to their irregular immigration status, or simply because there are no formal means, particularly in countries undergoing or recovering from crisis.

However, because these informal money transfers are difficult to track, they face the brunt of increasingly restrictive anti-money-laundering and counter-terrorism regulations, leading to the closure by major banks of the accounts of some money transfer operators. One such example is the British bank, Barclays, which was only prevented from closing the account

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## ***In an uncertain economic environment, remittances are a vital source of foreign currency for many countries***

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However, transfer costs remain high, particularly between countries in the global South. Intra-African transfers are the most expensive, with transfer costs exceeding 20 per cent in some cases, compared to five per cent or below in some remittance corridors between the Gulf and countries in South Asia. The World Bank estimates that developing countries would receive over \$16 billion more each year than they do

of Dahabshiil, a money transfer company widely used throughout Somalia, by a court injunction.

In such circumstances, informal channels sometimes provide the only means available in countries in crisis, and are a useful and important service to migrants who are often unbanked or otherwise financially excluded. Indeed, if their actual value was recognised, they might even be



◀ Migrants hoping to reach the US ride atop a freight train, known as La Bestia, in Ixtepec, Mexico. Those migrating on a temporary basis or with irregular status run a high risk of poor conditions and low wages

considered as part of a strategic framework to reduce transfer costs globally.

While the quantitative value of remittances is undeniable, it is important to note that the migration process undertaken by remittance-senders takes place in a wide range of circumstances that often have migrant workers assuming significant risks and costs. One indicator of the number of migrants who take considerable risks is irregular migration, which in the United States was estimated at 11 million migrants in 2011, and in the European Union between 1.9 and 3.8 million migrants in 2008. Furthermore, many migrants, but particularly those migrating on a temporary basis or with irregular status, are more susceptible to unfair recruitment practices, smuggling (and subsequent indebtedness), challenges in the country of destination related to poor working and living conditions, and low wages.

#### **Marginalised communities**

Indeed, many migrants – either because of their skills, legal status or because they are not favourably integrated in the labour market – fill jobs that are unattractive to local populations in order to be able to pay off the debts that they and their families have incurred during the migration process, and remit to those they have left behind.

As an indication, less-skilled third-country nationals constituted 79.2 per cent of all non-EU nationals in 2008. Many of these factors contribute to migrants being additionally exposed to hazards, particularly in urban areas where development planning, risk reduction and other measures may not extend to marginalised communities.

Although remittances have the potential to reduce the poverty level of the recipients, the development effects may be negated by dependency on remittances as the sole or primary source of income and there are documented incidents of local market distortions. Most critical are the



© Getty

social costs of migration and the economic, social and structural inequalities that are exacerbated by remittances between recipients and non-recipients. Another question that arises is to what extent the practice of remitting and the volume of remittances reveal the development challenges that senders and recipients face.

For instance, on the one hand migrants may face considerable social pressures to remit. On the other hand, remittances are often used to afford basic services, to overcome gaps in social security and education systems, and credit markets. Accordingly, an appraisal of the impact of remittances on development presents certain complexities that need to be taken into consideration, recognising that the responsibility for development lies with states and not migrants.

### Maximising development potential

Remittances must be taken into account in the development goals that are currently being set for 2015 and beyond. Their role is within a framework that recognises the

human dimension of migration – the social, cultural and financial contributions of migrants, as well as the massive sacrifices that many have had to make along the way.

At this stage, policymakers have the opportunity to consider remittances and other social benefits of migration under a new, wider lens, where remittances are recognised for what they are – the private funds of migrants, rather than a suitable source of financing for development. One of the main priorities should be the reduction of transaction costs. Their reduction would make more money available for migrants and the recipients of their remittances. This will require a concerted, collaborative effort among governments, the private sector and the international community.

A multi-faceted strategy should seek to address not only the shortcomings of the international regulatory framework, but also the promotion of innovative remittance mechanisms and a wider array of money transfer operators. Financial education initiatives for migrant workers and recipient

▲ Bangladeshi construction workers take a break in Doha, Qatar. There is intense international concern for the welfare of migrant workers in Qatar, who have suffered extreme exploitation and dangerous working conditions

households are a proven way of increasing the likelihood that remittances positively and directly impact the life of recipients and their communities.

Above all, remittance-linked initiatives must be part and parcel of a wider development agenda that addresses the systematic lack of basic services for communities in countries of origin rather than relying on remittances to fill the gaps.

Governments have a great role to play by promoting policies and programmes that create enabling environments for remittances and, more generally, by including all aspects of migration in their development-planning policies. Any discussion about remittances should occur in a framework that factors in costs and opportunities and takes into account the wide range of social and economic issues that shape migration flows. ●



# ORGANIC REVOLUTION

## The Paraguayan experience: innovative linkages for development

**W**ith support from the Dutch Interchurch Organisation for Development Cooperation (ICCO Cooperation) the Asociación Paraguay Orgánico was created as an innovative business model. The association is made up of 22 organic producers' organisations from three different sectors: men and women from the family farming sector grouped in cooperatives and associations; private companies; and technical assistance providers (NGOs). This alliance has been working actively since 2010, positioning itself as a promoter of organic production as well as a facilitator, building links to access the market using the value chain approach. The alliance members focus on the promotion and sale of 10 products: cotton, sesame, stevia, sugarcane, sunflower, citrus fruits, passion fruit, chia, citrus fruit peels and medicinal herbs.

Paraguay Orgánico is present in 10 of the 17 departments of the country, benefiting approximately 2,000 families that farm on 2,500 hectares of organically certified land. It provides technical assistance in production and marketing; it encourages the opening of new markets; it promotes participatory research and the exchange of experiences among different sectors of the chain; it raises financial support and it covers union advocacy actions in the political-strategic sphere, in partnership with other organisations working for the national organic movement. Thanks to this initiative, progress has been made in empowerment and ownership of a management model, with links among organisations in the production chain.

One of the main successes of Paraguay Orgánico has been the access to markets in a country where conventional production is expanding, generating the false belief that small-scale organic production is not profitable and that its markets are not growing in the same or greater proportion. Other accomplishments are the articulation between public and private stakeholders and the coordinated efforts for further development of the sector, achieving enactment of a National Decree on Plant Traceability as well as establishment of an Organic Agriculture Directorate within the Ministry of Agriculture.

ICCO also contributed €290,000 to a Technical Assistance Fund, which was used to support the production and marketing of 18 projects of up to \$20,000 each, with a counterpart contribution of 25% coming from independent and organised producers. The fund was implemented over two years and benefits 1,461 families, achieving a value of more than \$3 million in sales of organic export items. ■



*"I was about to abandon farming because I had many problems, such as pest attacks, low yields, uncertainty in commercialisation – this affected us very much as a farming family. When our organisation was about to fall apart, the project arrived and gave us a more positive outlook, making it possible for us to work together once more."*

*"In my case, my farm and my family have joined a very strict production system, with innovative technical assistance, thanks to which we have been able to strengthen our farm work with organic sesame and chia production. We have learned best practices and how to manage a written control system, breaking with the oral farm planning tradition, which is deeply rooted in our culture. Nonetheless, the challenge now is to extend this organic production system to the entire farm and for more families to join and thus produce greater volumes."*

*Esteban Mena - farmer of Correa Ruguá, neighbourhood of María Auxiliadora, district of San Pedro*

### ICCO Cooperation heading towards the 50-year global commitment

ICCO Cooperation is a non-governmental organisation for international cooperation. ICCO was established on 30 December 1964 and became a cooperative in 2012. In 2015, ICCO will celebrate its 50th anniversary; special attention will be paid to the dialogue on human rights and development with businesses. ICCO's core business is worldwide financial support, lobby and brokerage services to local non-governmental organisations, the private sector, churches, and other networks that work on securing sustainable livelihoods and justice and dignity for poor and marginalised people. More concretely, ICCO implements partnership programmes on fair economic development, democracy and peace, and food and nutrition security.

The organisation is based in The Netherlands (Utrecht) with seven regional offices in Southern Africa, West Africa, Central and Eastern Africa, Central and South Asia, South East Asia, Central America and South America. ICCO is a member of the ACT Alliance.



#### More information:

[www.paraguayorganico.org.py](http://www.paraguayorganico.org.py)  
[www.iccosudamerica.org](http://www.iccosudamerica.org)  
[www.icco-international.com/int/](http://www.icco-international.com/int/)

# Partnerships for results

*The post-2015 goals will require diverse groups to collaborate effectively. The creation of well-structured fora, where parties can engage and share knowledge, will be key*



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By **Amir Dossal**, Chairman of the Global Partnerships Forum; Special Representative of the Secretary-General of the International Telecommunication Union for Global Partnerships; and former Executive Director of the United Nations Office for Partnerships

For the last 18 months, the international community has been actively engaged in carving out new development goals as the current set – the Millennium Development Goals (MDGs) – reach the end of their term in 2015. For the first time in the history of the United Nations, the process has engaged not just Member States, but also non-state actors, including academia, business, civil society and other individuals who are committed to

bringing about positive social change. The process embodied in the 13 Open Working Groups has resulted in a short list of 17 proposed Sustainable Development Goals (SDGs) and 169 related targets, 40 of which focus on means of implementation. By comparison, the MDGs consist of just eight goals and 18 targets.

In 2012, the UN Conference on Sustainable Development (Rio+20) mandated that the new goals and targets be “concise, easy to communicate, [and] limited in number”. We still have a long way to go to achieve that aspirational goal. As UN Secretary-General Ban Ki-moon stated in his opening remarks at the launch of the Open Working Group process in March 2013: “I would hope that the multiple

▲ A Kazakh cattle herder and his satellite phone. A UNDP programme that combines traditional nomadic pasture management with modern technology has enabled the reuse of 372,000 hectares in remote parts of south Kazakhstan

strands of the post-2015 process, coming together, culminate in 2015 in the adoption of a unified and coherent global agenda.”

## Crafting the new Sustainable Development Goals

The coming months will be critical to sharpening the proposals so that not only governments but also stakeholders across the economic and social spectrum can get behind a clear development agenda that is mission-driven and results-based. A reliable system

for data gathering and management, with associated transparency and accountability, will be essential to the process.

In the margins of the Open Working Groups, much discussion has taken place regarding the financing of the SDGs. Donor governments do not have the same financial flexibility as might have existed before the Great Recession, and it is clear that the international community needs to consider all forms of capital and financing if we are to address the imbalances in society cohesively.

The last decade has seen an exponential growth in new forms of collaboration and alliances, often under the overarching term ‘partnerships’. Although the term means different things to different people, it marks the shift from traditional charitable giving to smarter philanthropy and social investing.

Fifteen years ago, many considered financing partnerships to be no more than an injection of unencumbered funds; the international community saw the private sector as a tap. Today, funders see the MDGs and the future SDGs as social impact investment opportunities. Companies have become partners and problem-solvers in addressing some of the biggest challenges we face.

For instance, new technologies are being developed to provide clean water, clean energy, better health, etc. Business, by its very nature, is driven by the need to improve the bottom line. Increasingly, it considers social responsibility to be a key part of this goal. While the maths may not always be very simple in the short term, when a child is healthier, she learns better, earns better, and becomes a productive member of society – which engenders a more peaceful and secure world, including a more stable business environment.

The UN saw a tremendous change in culture after the arrival of Ted Turner’s billion-dollar donation in 1997. Many other foundations, companies and civil society organisations began to point out the good work they were doing and the UN benefited from their engagement. It is clear that the needs of the underprivileged cannot be addressed by one single sector, but rather require multiple constituencies

to collaborate in support of common goals. This was the genesis of the Multi-Stakeholder Partnerships Model – using the expertise of the private sector, the normative leadership of the public sector, and the successful delivery mechanisms of civil society.

The new SDGs will require more robust partnerships. We need to reach out more widely than the usual multinationals, to small and medium-sized enterprises, social entrepreneurs and the private equity and venture capital community, and we need to demonstrate the value proposition of investing in the SDGs. We have a rare opportunity to take advantage of this momentum and bring in family offices, which collectively have over \$1 trillion in wealth and can serve as a flexible source of capital, based on their underlying values.

Wall Street, the City of London, and other financial centres, as well as the major financial institutions, can be effective partners and providers of new thinking and ideas to generate not only a social rate of return, but an economic benefit all round.

#### **A virtual marketplace for projects**

Technology allows individuals, organisations and governments to connect and interact directly, the benefits of which are far-reaching. One of the biggest challenges of the digital age is the lack of organised data: search engines use unique

algorithms, which do not necessarily catalogue and index data in a format that takes into account the nuanced needs of the social sector.

While there are a number of organisations that provide project data related to their own programmes, there is no single platform that can thread these resources together. Policymakers, academic experts and aid organisations often rely on

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## ***We need to reach out... and demonstrate the value proposition of investing in the SDGs***

their own research and informal peer-to-peer communications. At the same time, civil society focuses on social programmes based on demand and news-driven issues, without the benefit of deeper knowledge of existing players on the ground. In addition, traditional investment vehicles in the current financial services industry and simple business-building tools are often inaccessible to entrepreneurs who need the most support.

To address this, the Global Partnerships Forum proposed, in 2011, the creation of an open ‘marketplace’, which would enable

assemble experiences in a coherent and structured format, providing guidance to those who are thinking about cross-sector collaboration for the first time, and insights from those who have worked on these issues for years.

Moreover, ideas for new and innovative collaboration can be developed and exchanged online, drawing from the benefits of different perspectives and diversified knowledge. At the same time, the platform could serve as a convenient means to seek crowd-funding for social programmes. This effort would move

a new deal with the private sector and social entrepreneurs to establish a socially responsible investment vehicle to assist in implementing the SDGs.

Such a fund could be led by the private equity and venture capital community. This SDG innovation programme could focus on key priorities of economic and social sectors, based on the SDG goals and targets. Initially, it could target programmes and projects that can dramatically impact least-developed countries (LDCs).

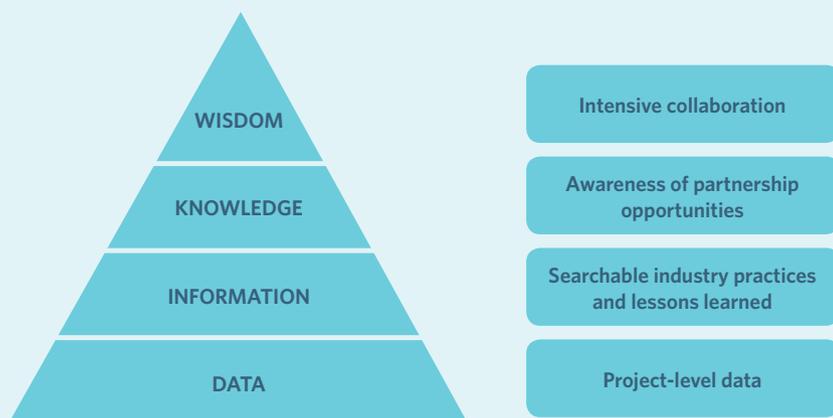
In order for such an initiative to be successful, it must truly be a multi-stakeholder partnership, involving the international community, as well as players on the ground. Key partners must encompass UN and international organisations and groups, including the Office of the High Representative for the LDCs, Landlocked Developing Countries and Small Island Developing States; Office of the Special Adviser on Africa; African Union Commission; New Partnership for Africa’s Development; and Chair of the LDCs.

The initiative would therefore engage governments, philanthropic institutions and family offices in the creation of this SDG innovation programme and could be comprised of several targeted funds, with each fund designed to address specific tangible goals, to achieve real sustainability. Ultimately each fund should generate enough profits to be self-sustaining and able to finance the next generation of projects. Each fund should be structured in a manner to attract the best and the brightest of managers, to mirror traditional venture capital structures.

### Looking ahead

We have a rare opportunity to make the SDGs our collective effort, owned by everybody. We must use the power of media around the world to get this message out. Whatever we do, we should move from talk to action. Partnerships are increasingly seen as a most effective route for bringing about real and sustainable change in the quality of lives of the underprivileged. Together we can make them so. ●

### The collaboration pyramid



the sharing of various industry practices and non-financial resources. Such a centralised platform could also provide a more transparent mechanism for donors and investors to make capital available to prospective NGOs and entrepreneurs. The virtual marketplace will collaborate with academic institutions, bilateral and multilateral aid agencies, business and civil society, and is currently exploring cooperation with GLG, the largest peer-to-peer learning platform.

Although we are currently in the focus group consultation stage, our aim is to create a kind of ‘Google of Development’ – an all-encompassing online platform, by issues, sectors, regions and countries, which would serve as an aggregator of various efforts globally, and provide access to information and lessons learned. This mega-relational database platform would

the needle from an aid to an investment model for poverty alleviation and resultant sustainability.

### An SDG innovation programme

The proposed SDGs are ambitious and noble goals that cannot be achieved by Member States or individual sectors alone – they require the engagement of both state and non-state actors. Indeed, the proposed Goal 17 calls on the international community to “strengthen the means of implementation and revitalise the global partnership for sustainable development”. The Goal encompasses targets focused on key structural challenges, including Target 17.3 on mobilising additional financial resources for developing countries from multiple sources.

Against this background, the international community should develop

# Post-2015 agenda: the potential for business to fight poverty



## CODESPA Foundation

Private sector involvement in the post-2015 development agenda is currently one of the key topics in the international development sector. In 2000, the United Nations launched the Global Compact as a call to the private sector to commit to supporting the 2015 Millennium Development Goals. That was a catalyst: thousands of large and small companies made a commitment for the first time about their responsibilities within global society and looked at how they could play a role in solving some of the world's most urgent problems.

Currently, the United Nations is encouraging the role of the private sector in the post-2015 agenda. The main message is that private sector involvement in the post-2015 agenda is not an issue to be debated, but should be simply a fact. Therefore, the main dialogue is now focused on how companies can support the 10 Global Compact principles in the areas of human rights, labour, the environment and anti-corruption.

Within this framework, there is much potential for strategic involvement of the private sector, through inclusive business projects that offer sustainable business solutions that go beyond philanthropy and expand access to jobs, goods, services and livelihood opportunities for low-income communities in commercially viable ways (World Business Council for Sustainable Development, 2005).

Since 1985, CODESPA has been working on almost 800 inclusive growth projects in 21 countries, with the aim of achieving the socio-economic inclusion of low-income communities. We work in microfinance innovation and financial inclusion, community-based tourism, rural value chain strategies, and micro-entrepreneurship and social entrepreneurship, among others.

For instance, in the Dominican Republic, CODESPA has developed the innovative Microinsurance 3x1 (life, accidents and funeral expenses),

in collaboration with the banks ADOPEM and AECID. We have created a product which costs just \$4 per year. To date, ADOPEM has sold more than 19,000 policies to low-income people who, thanks to this product, have improved their living conditions.

In the Philippines, CODESPA and AECID have supported the commercial strengthening of small, low-income seaweed farmers since 2010. We have undertaken a study to analyse the potential for inclusive business and we have identified that there is high potential for the inclusion of small farmers in the value chain of local companies. One is MCPI, a pioneer company in seaweed cultivation in the Philippines. We have offered collaboration in a pilot project to establish commercial fair linkages between our seaweed farmers and MCPI.

So far, in the framework of the development sector, projects carried out in collaboration with the private sector have been considered 'innovative'. Fortunately, it seems there is now a new era in which a collaborative approach between private sector and development actors will be the general rule, instead of an exception. The future post-2015 agenda is prepared to take on a new dimension, where more strategic and concrete actions could reveal the, until now, undisclosed potential and opportunities that reside in private sector involvement for achieving global challenges. ■



# Knowledge is power

*Giving communities the knowledge and skills to make full use of their existing resources is a powerful tool for tackling poverty and enabling local development. Charities like Practical Action in Bangladesh are exemplars of how this approach can transform lives*

By **Veena Khaleque**,  
Bangladesh Director, Practical Action

**W**hen Practical Action was set up nearly 50 years ago, its founder, economist E.F. Schumacher, placed knowledge and the sharing of information at the heart of the organisation.

He believed sharing knowledge and showing people how best to use their existing skills and expertise was the most effective way of enabling long-term development and scaling up efforts to tackle poverty.

Other leading development practitioners agree. A working paper produced by the UN, World Bank and Organisation for Economic Co-operation and Development for the G20 development group in 2010 stated: “Knowledge sharing that involves a broad spectrum of national stakeholders serves as a critical tool for strengthening the bases for endogenous capacity development. It provides space for a mutually beneficial learning process that strengthens the individual and collective capacity of practitioners/experts and policy-makers to lead and take charge of their own development process. Moreover, there is emerging evidence that this peer-to-peer learning process through knowledge sharing, not only strengthens local ownership and leadership, but improves and nurtures the enabling environment for designing and implementing difficult development policy reforms. This in turn helps build more effective governments.”

Today Practical Action continues its work based on its founding principles by making all of its poverty-relieving

technology and solutions available. The service is totally free to individuals, other NGOs, businesses and whole communities via a huge database of online information, in-country advisers and well-positioned knowledge centres – all delivered through the ‘Practical Answers’ service.

Globally, Practical Answers received 68,000 enquiries last year. The service also captures information and knowledge in technical briefings that we post on websites. Last year they attracted 1.5 million unique visitors.

Yet, this does not mean we reach everyone. Giving the poorest, most remote communities access to knowledge banks is a huge challenge; the poorest percentile are the least able to access information to help them solve the problems they face every day, whether that is due to illiteracy, community isolation, lack of access to technology, or gender.

We have been testing it since 2011, during which time we served around 18,000 clients. We believe the tremendous growth in mobile phone use across all of Bangladeshi society will enable us to reach some of the poorest and most remote communities like never before. Currently, Bangladesh has 115 million mobile phone users, meaning there are now 69 phones per 100 citizens. Since 2012, the number of phones in Bangladesh has grown by 25 million.

The Krishi call centre is the result of lengthy and difficult negotiations between my colleagues from Practical Answers, project lead Dr Faruk Ul Islam, the Bangladeshi government and all mobile service providers in Bangladesh to ensure that the service is free at the point of delivery for anyone who uses it.

The initial results have been outstanding. Without any advertising we received around 700 calls in the first

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***“The best aid to give is intellectual aid, a gift of useful knowledge. A gift of knowledge is infinitely preferable to a gift of material things” – E.F. Schumacher, Founder***

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To try and meet this challenge, here in Bangladesh we are constantly developing new ways to diversify our knowledge service as new technology becomes available to those most in need.

For example, to match the growth of mobile phone access, we launched the Krishi call centre in June 2014, a toll-free service that is promoted throughout the country, in partnership with the Agricultural Information Service and Ministry of Agriculture in Bangladesh.

month, helping an estimated 2,800 people to improve their income and their future prospects. Callers have asked for support with their crops, livestock and fish farming. In these first few weeks of operation, 80 per cent of enquiries have been about vegetable and fruit tree management, seven per cent about fisheries and 13 per cent on livestock issues (mainly diseases).

However, we also acknowledge that mobile phone coverage is still not universal, and even if it was, lack of access to energy



© Reuters

means that those in remote communities that are not connected to the grid would only be able to use their phone on the rare occasions that they are able to charge them.

Consequently, we have continued to use our Gyaner Haats (knowledge bazaar) service, which is based in 30 local government offices in partnership with the Access to Information Program of the UN Development Programme in Bangladesh.

On a day-to-day basis, each *baat* is managed by an entrepreneur who generates an income by selling ICT services, photocopying and similar activities. Other management functions are provided by a committee that includes representatives of the local authorities, the local technical and administrative departments and other key stakeholders. From each *baat* around a dozen extension

workers go into the community. They talk to people on the ground and collect information requests about agriculture, fisheries and livestock. In turn, they spread knowledge and best-practice skills. The extension workers also generate profits by offering other services like crop spraying and vaccination of cattle.

This sharing and effective use of knowledge at the grassroots really works in ways that constantly surprise me. For example, shrimp farmer Bishawjit Mondol of Jhapa village learned how to control snail infestations at his farm after he was taught to use tobacco powder as bio-pesticide from a fisheries rural extension worker who had been trained through the Gyaner Haat in Atulia Union. In all, we estimate that the Gyaner Haats have helped some 125,000 people to date.

▲ A Bangladeshi farmer displays shrimps he farmed before taking them to market. The use of tobacco powder as a bio-pesticide in shrimp farming is one of many examples of how the Gyaner Haats (knowledge bazaars) have spread best-practice skills

The exciting thing is that we are helping the official government extension workers to reach much further down into the community, to real people who can benefit from their knowledge – empowering the poorest and least accessible subsistence farmers who are hardest to help via an agile and entrepreneurial method that a local authority could never hope to emulate. ●

*Practical Action in Bangladesh is an international non-governmental organisation that uses technology to challenge poverty in developing countries.*



## PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

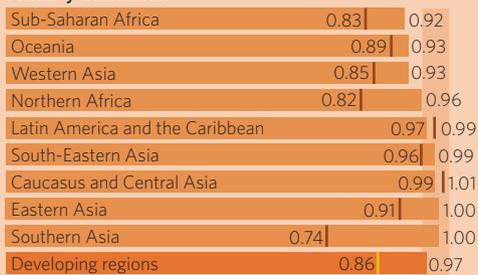
Much MDG criticism focuses on what are seen as 'missing targets'. This is clearly the case for Goal 3, which concentrated narrowly on gender disparity in education and, to a lesser extent, women's representation in the workforce and decision-making. Even in those areas where progress has been achieved, such as primary enrolment, it is clear that targeted interventions must be combined with policies that address broader constraints and promote structural changes and societal transformation. In West Africa, for instance, complementing investments in infrastructure with female literacy campaigns to overcome resistance to girls' education in rural areas led to a significant increase in the rate of enrolment of girls in primary schools.

Source: UN Millennium Development Goals Report 2014

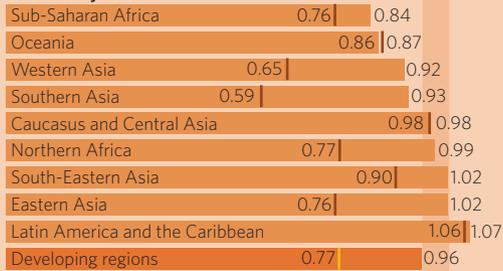
### TARGET 3.A Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

#### Gender parity index for gross enrolment ratios in primary, secondary and tertiary education in developing regions, 1990 and 2012

##### Primary education



##### Secondary education



##### Tertiary education



Legend: 1990 (light orange), 2012 (dark orange), 2015 Target = Gender parity index between 0.97 and 1.03

Note: In secondary and tertiary education, 1990 data for Caucasus and Central Asia refer to 1993. In tertiary education, 2012 data for Oceania are not available.



#### Proposed Sustainable Development Goal 5

**End** all forms of discrimination against all women and girls everywhere

**Eliminate** all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation

**Eliminate** all harmful practices, such as child, early and forced marriage and female genital mutilations

#### Proportion of seats held by women in single or lower houses of national parliament, 2000 and 2014 (%)





© Reuters

## Leave no one behind

*Perhaps the greatest flaw of the MDGs was that their broad targets allowed the most deprived groups to be overlooked. The resolve to redress this should form the backbone of the new goals*

By **Natalie Samarasinghe**,  
Executive Director, UNA-UK

**T**he report of the UN High-Level Panel on the Post-2015 Development Agenda, published last year, set out five transformative shifts needed to drive and underpin the next era of global development. The first was a call to leave no one behind.

It highlighted the importance of tackling the causes of poverty, exclusion and inequality, to ensure that “in the future neither income nor gender, nor ethnicity, nor disability, nor geography, will determine whether people live or die, whether a mother can give birth safely, or whether her child has a fair chance in life”. No person, regardless of any their status, should be denied universal human rights and basic economic opportunities.

This addresses one of the most fundamental criticisms of the Millennium

Development Goals (MDGs): that they did not focus enough on reaching the poorest and most excluded. The Goals have seen great progress at the global level, with three major targets – on reducing extreme poverty, widening access to drinking water and improving the lives of slum dwellers – met ahead of schedule. All regions have seen advances in tackling child mortality, increasing primary school enrolment and addressing HIV/AIDS, tuberculosis and malaria.

At the national and local level, the picture is far more uneven. The MDG focus on broad targets has served to mask inequalities within and between countries and communities. In certain countries, Goals have been met nationally with little or no change for the poorest. There has also been concern that the framework incentivised decision-makers and donors to pursue the easiest gains, instead of focusing on those hardest to reach.

This is especially true for groups such as the rural poor, the elderly, persons with disabilities, minorities and refugees. For many of the MDG targets, the progress of women has lagged behind that of men, particularly if they belong to one of those groups. People affected by conflict have seen their progress towards the Goals reversed. And for many indigenous peoples, efforts to deliver development projects without proper consultation or consideration of their needs have put their lives and livelihoods at risk.

In general, those whose starting point was lower, and whose status or situation has made them more vulnerable, are far more likely to have been left behind and to be affected by economic, climate or other shocks. They are also much less likely to be on the monitoring radar.

▲ Iraqi Yazidis, a religious minority, in the foothills of Sinjar mountain, fleeing from forces loyal to the Islamic State militants

The Open Working Group on Sustainable Development Goals, whose July 2014 proposal is likely to form the basis of state negotiations next year, sets out a number of principles and measures that seek to address these gaps.

It includes a clear commitment to putting people at the centre of sustainable development, and to strive for sustained and inclusive economic growth, social development and environmental protection that benefits all, “in particular the children of the world, youth and future generations of the world without distinction of any kind such as age, sex, disability, culture, race, ethnicity, origin, migratory status, religion, economic or other status”.

The 17 Goals it outlines make reference to particular groups of people, including those in vulnerable situations, such as the need to tackle malnutrition among older persons, give women access to land ownership, achieve full and productive employment for those with disabilities, have well-managed migration policies, and recognise and value unpaid and domestic work.

Crucially, the Goals also incorporate targets intended to support these objectives. Goal 16 focuses on promoting peaceful and inclusive societies. It includes provisions on the rule of law, non-discrimination, access to justice and information, and participatory decision-making. This goes some way to address the lack of emphasis on human rights in the MDG agenda. It also provides a stronger basis for holding governments and other development actors to account, and for increasing public involvement in the design and delivery of the new Goals.

Goal 17, meanwhile, is a significant extension of the global partnership MDG, with targets – although most are not time-bound – in the areas of finance; technology; capacity building; trade; partnerships; policy and institutional coherence; and data, monitoring and accountability. Improving the quality, coverage, availability and analysis of data is particularly important in ensuring that development policies are targeted, appropriate and working – in short, that no one is left behind. ●

## Who is deprived and how?

### CONFLICT

- About half of primary-school-age children not in school live in conflict-affected countries.
- The conflict in Syria has rolled back human development achievements by 35 years, with over half the population now living in poverty.
- In Kashmir, exposure to violence *in utero* and in infancy was shown to have reduced children's height, with those most affected 0.9-1.4 standard deviations shorter than others.
- In Europe in 2011, around 30% of Roma lived on less than \$4.30 a day, compared with 9% of the non-Roma population.
- According to Survival International, child mortality can increase when tribal peoples are settled, especially when highly mobile peoples are moved to crowded camps or shanty towns. For example, the Onge of Little Andaman Island, who were settled in 1976, experienced a doubling of infant mortality rates between 1978 and 1985.

### GENDER

- Young women aged 15 to 24 years have a 50% higher risk of becoming infected with HIV compared to their male peers.
- Only two of 130 countries have achieved gender parity at all levels of education.
- On average, the number of malnourished children is 60% higher in countries where women do not have the right to own land and 85% higher in countries where women lack any access to credit.

### LOCATION

- Three-quarters of the world's poor live in rural areas.
- Multidimensional poverty affects 43% of urban households in Burkina Faso but 94% of rural ones.
- In Andhra Pradesh, India a quarter of young people in rural areas will not be in school by age 15, compared to 15% from urban areas. Those from Scheduled Castes and Scheduled Tribes were twice as likely to be out of school.

### ETHNICITY

- Indigenous peoples make up around 5% of the global population but 15% of the world's income poor, and 30% of the world's extremely poor in rural areas.

### AGE

- Roughly 80% of the world's older population does not have a pension. In OECD countries, the old-age poverty rate is higher than that of the whole population: 13.5% to 10.6%.
- Global youth unemployment in 2012 was 12.7% – almost three times the adult rate.

### DISABILITY

- In 2012, the UN Educational, Scientific and Cultural Organization (UNESCO) estimated that children with disabilities represented more than a third of the 67 million children who were out of school worldwide.
- Evidence from the World Health Survey for 51 countries shows employment rates of 52.8% for men with disabilities and 19.6% for women with disabilities, compared to 64.9% for men without disabilities and 29.9% for women without disabilities.

Sources: UN Millennium Development Goals Report 2014, UN Development Programme (UNDP) Human Development Report 2014, UNESCO Education for All 2012, Survival International 'Progress Can Kill' campaign, UNDP report 'Resilience-based Development Response to the Syria Crisis' (2014).

# Realising potential in an ageing world

**People of all ages must be part of our response to post-2015 development realities**

By **Chris Roles**, Director of Age International

One of the great untold stories of development is that of radical transformation, overwhelming success and hidden champions, but one which does not feature in the UN Millennium Development Goals. This is the story of ageing: of greater numbers of older people worldwide, increasing longevity and the indispensable role older people play in society.

The numbers speak for themselves. In 2013, there were 841 million older people worldwide and this is due to increase to 2 billion by 2050. By the time the post-2015 framework comes to a close in 2030, there will be more people over the age of 60 than children under 10 and almost three quarters of the world's older people will live in what are now developing countries. And one of the fastest growing groups is people aged 80 and over.

Even in sub-Saharan Africa where the 'youth bulge' dominates immediate concerns, the numbers of older people are growing rapidly. History teaches us that with development success comes increased longevity and decreased fertility. Ageing is a development reality.

The story of older people and development is also the story of missed opportunities, marginalisation and discrimination. The role of older people as farmers, business people and net contributors to household economies goes un-noticed by traditional development programmes. Older people are also routinely denied basic health and care services. Discrimination, violence and abuse against older people on the basis of age are commonplace in all parts of the world.

What we lose as a society by ignoring the reality of ageing and the potential of older people is the opportunity to benefit from the experience and knowledge of the very people who helped build our countries. We fail to capitalise on the social and economic contributions they make to their



© Antonio Olmos/HelpAge International

families and communities every day. More importantly, we lose the dignity and respect that comes from truly valuing a person throughout their life course that should underpin our society.

So what makes it possible to realise the potential of older people? The first obvious step is knowing more about them and being able to measure our efforts. This is why the post-2015 promise of a 'data revolution' with disaggregated data by age is absolutely vital. At the moment, we stop counting when people reach older age. Not knowing what happens in a person's life when they are 60, 70, 80 and above means not understanding the support they provide to their grandchildren and the wider family. It also means not really knowing where vulnerability, marginalisation and poverty lie. How can we truly achieve anything post-2015 without this?

We must also recognise older people as rights holders and clearly articulate what protecting their rights means. We have seen how human rights conventions for women, children and people with disabilities have transformed our understanding of society's roles and responsibilities to these groups. A convention on the rights of older people is long overdue and would help clarify their rights, motivate an informed discussion among all stakeholders and stimulate development processes such as post-2015 to take older people into account.

Building partnerships for delivering the post-2015 promises and commitments must include looking for the potential within countries and empowering people of all ages and abilities. Surely this is the embodiment of 'leave no one behind' and is the measure upon which all efforts should be judged. ■

*Age International is a UK charity, part of the Age UK group, and the UK member of the global HelpAge network. We support programmes in over 30 developing countries to meet the needs of older people and to promote and protect their rights. In the UK we work to raise awareness and influence opinion formers and decision makers about the needs and rights of older people in developing countries.*



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# Overcoming the barriers of marginalisation

*Lifting the Least Developed Countries out of poverty must be at the heart of the post-2015 sustainable development agenda. The Istanbul Programme of Action aims to give these countries the means to raise themselves*

By **Ambassador Gyan Chandra Acharya**, Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

**T**he Least Developed Countries (LDCs) of the world stand at a critical point in their journey towards sustainable development. Representing the poorest and weakest segment of the international community, they comprise more than 880 million people (about 12 per cent of world population), but account for less than two per cent of the world's GDP and about one per cent of global trade in goods.

As the world looks towards a new inclusive and sustainable era for



◀ Turbines at Ashegoda wind farm in Ethiopia's northern Tigray region. The farm is the largest in sub-Saharan Africa, with a capacity of 120 MW. Ethiopia is pioneering green energy projects on the continent, aiming to supply power to its 91 million people, boost its economy by exporting power and become carbon-neutral by 2025

development, heralded by the Sustainable Development Goals (SDGs), these countries must be supported on a priority basis. In this increasingly integrated world, it is essential that LDCs overcome the barriers of marginalisation.

### Goals for 2020

The Fourth UN Conference on LDCs in Istanbul in 2011 adopted a Programme of Action (IPoA) in which many elements of sustainable development are ingrained. It starts with productive capacity building as a key enabler for structural transformation of their economies, together with human development and building resilience for poverty eradication.

The IPoA represents a shared vision and common aspiration of LDCs and

their development partners based on commitments, mutual accountability and strengthened partnerships. It set an ambitious overarching goal of enabling half of these countries to meet the criteria for graduation from LDC status by 2020. The outcome document recognises that LDCs, as the most vulnerable group of countries, need enhanced global support and distinct mechanisms.

The IPoA contains five clearly defined objectives and eight principles (see next column). It has 47 goals, some of which have transformative implications, such as eradicating poverty, attaining at least seven per cent growth rate, striving to provide 100 per cent access to the internet by 2020, ensuring access to energy for all by 2030 and doubling the share of LDCs' exports in global exports by 2020, among others.

The fundamental premise of the IPoA is built on a wider and deeper political consensus that goes way beyond the traditional concept of 'donor-recipient relationship'. It recognises that solidarity, cooperation and partnership with LDCs are not only a moral imperative, but also an economic and political one.

The outcome document aptly recognises that eradication of poverty and hunger in LDCs contributes towards ensuring global stability and prosperity in a sustainable manner. LDCs are no longer considered to be 'basket cases'. Rather, they represent an enormous human and natural resource potential for world economic growth, welfare, prosperity and food and energy security.

The new programme contains a qualitative shift in the development strategy for the next decade. It emphasises the need to build a critical mass of viable and competitive productive capacity in agriculture, manufacturing and services. It highlights diversification, infrastructure development, enhanced investment, vibrant civil society and private sector and structural transformation. Such a shift in focus is expected to enable LDCs to build

their economies on a solid basis with value addition, value retention and product diversification that will benefit the global economy.

LDCs have made much stronger and enhanced commitments towards creating conducive domestic environments to implement the IPoA. Development partners have also committed to stronger international support measures in all priority areas.

### The eight priority areas of the Istanbul Programme

- 1) building productive capacity, including in infrastructure, energy, science, technology and innovation, and private-sector development;
- 2) agriculture, food security and rural development;
- 3) trade;
- 4) commodities;
- 5) human and social development, including women's empowerment;
- 6) multiple crises and emerging challenges, such as climate change and sustainability;
- 7) mobilisation of resources for development and capacity building; and
- 8) good governance at all levels that includes democracy, respect for all human rights, transparency and accountability and equitable governance at the international level.

### The partnerships required to achieve these goals

LDCs have made considerable efforts towards mobilising domestic resources for their development and ensuring the sustainability of funding for national development priorities. However, their domestic savings are still around 13 per cent of GDP.

Only the oil-producing countries experienced significant growth in domestic savings. By contrast, some post-conflict countries experienced negative savings rates. Most LDCs still face a huge



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financing deficit in meeting the required level of savings. If LDCs are to achieve seven per cent GDP growth, they need around 40 per cent investment to GDP ratio for a sustained period of time.

The IPoA recognises the broad range of partnerships – including traditional donor countries, developing countries, parliamentarians, private sector, civil society, and international financial and development institutions – needed to deliver this investment.

As their dependence on official development assistance (ODA) remains high, with low domestic capacity, ODA

will continue to play a very important role in the sustainable development of LDCs. Therefore, the principle of more resource allocation to the neediest is critical. LDCs have now called for at least 50 per cent of ODA to be allocated to them.

To ensure that trade becomes an engine of growth, LDC potential should be fully utilised by providing effective and timely implementation of duty-free and quota-free market access for their products, and by giving due priority to LDCs in the services sector. Technology transfer, diffusion and adaptation will have a salutary impact on the low productivity,

▲ Afghan women students in a literacy class in Bamiyan, northwest of Kabul. More than 40 per cent of adults in LDCs are unable to read and write

limited resilience and adaptation capacity of LDCs.

Similarly, investment-promotion regimes by development partners, such as insurance, guarantees and preferential financing programmes, and private enterprise funds for investment, will help to fill the resource gap they face in infrastructure development, access to energy and productive and employment-generating sectors.

Equally important is a strong enabling environment, national ownership, policy coherence and good governance in LDCs. Good governance at international level is also essential to helping them derive due benefit from globalisation.

### Successes and areas for focus

Since Istanbul, there have been a number of positive moves under various goals and targets, but much more needs to be done. As a group, the LDCs experienced 5.6 per cent growth in 2013 – up from the 4.3 per cent recorded in 2012. While this points towards positive change, the growth rate is still far below the IPoA target of at least seven per cent growth, and progress has been highly skewed and unevenly distributed.

In LDCs as a whole, poverty levels have reduced from 65 per cent to 47 per cent of the population. However, this rate of progress is limited compared to other developing countries. Looking ahead, the population of LDCs is likely to nearly double to 1.67 billion between now and 2050. With just 12 per cent of the world's people today, they will account for almost 40 per cent of global population growth during the next 40 years. The need for improved physical infrastructure, skill development, job creation and connectivity will become even more pressing.

LDCs have also made strides in areas including malaria, child and maternal mortality rates and gender parity in primary education. Primary school enrolment rates across the LDCs increased to 81 per cent in 2011/2012. However, they are not on track to achieve universal primary education by 2015.

A lack of adult literacy further hinders development of these countries with more than 40 per cent of adults in LDCs unable to read and write. While their progress must be seen in the context of the low base from which they started, they still have a long way to go.

Poor access to energy and water remains a major impediment to further progress, exacerbating the vulnerability of the chronically poor and constraining their productive capacity. In LDCs, 79 per cent

of the population do not have access to electricity, while 91 per cent have no access to modern fuels. In 2011 only 65.1 per cent of the population of LDCs were using safe drinking water.

Furthermore, LDCs are disproportionately exposed to the impacts of environmental degradation, climate change and disasters, and remain the least equipped to deal with them. They have a limited capacity for adaptation, and building resilience for communities, which rely on natural resources, is a key issue going forward.

Growth on its own will not be enough to meet such shortcomings. Economic opportunities must reach the most vulnerable and marginalised groups. An integrated approach to poverty eradication in the SDGs must address not only various aspects of deprivation, such as malnutrition, lack of access to education, maternal health and water and sanitation, but also feature equity dimensions.

## *We must ensure that the needs and priorities of the LDCs are placed at the core of the post-2015 development agenda, simply because they are at the bottom of the development ladder*

LDCs have tremendous human resources and natural resources capital. Despite this, expansion of trade is currently slow and exports are dominated by primary commodities, which accounted for 79 per cent of LDCs' exports of goods in 2012. The share of Aid for Trade going to LDCs has declined in recent years by two per cent to 24 per cent. It is essential that we assist these countries with the necessary tools and technology, build capacity and ensure resources to transform these assets into meaningful products. Similarly, the protection of natural capital is a vital part

of LDC planning for a sustainable future. LDCs have much to gain from conserving agricultural land, coastal areas, water resources, forests and wetlands, as indeed does the planet as a whole.

### Post-2015 – a fast-track to graduation

As we embark on defining a renewed development agenda beyond 2015, we must ensure that the needs and priorities of the LDCs are placed at the core of the post-2015 development agenda, simply because they are at the bottom of the development ladder. LDCs and their development partners – from the 'North' and 'South' – should be encouraged to undertake a comprehensive level of intervention to enable LDCs to meet the criteria for graduation by 2020.

The post-2015 development agenda needs to support strong national leadership and capacity building for sustainable development, while enhancing and consolidating coherent and comprehensive global partnerships in an integrated and holistic manner.

These include strengthening North-South cooperation, South-South cooperation and coherence among trade, investment and technology facilitation. As the agenda will be much wider and deeper, collaboration among all stakeholders, such as civil society, private sector, communities and others, will be crucial.

Transformative economic growth and poverty alleviation must be an inseparable part of the new development discourse. This should be further reinforced by building resilience and the protection of the natural capital.

In this age of immense progress and prosperity at the global level, we should not resign ourselves to a situation where more than a billion people live in abject poverty and hunger with malnutrition, deprived of basic opportunities for gainful employment and income-generating activities.

Now is the time for the international community to be ambitious. The IPoA can strongly contribute to the articulation of the SDGs in order to achieve the future that LDCs deserve. ●



## ERADICATE EXTREME POVERTY AND HUNGER

Inclusive economic growth with decent employment and wages has proven to be a prerequisite for achieving the MDGs, particularly Goal 1. Macroeconomic policies should not merely seek to preserve price stability, but should also take heed of employment generation, social goals and inequalities, while ensuring universal access to social protection and social services critical for consolidating achievements, building resilience to natural and economic shocks, and sustaining further improvements in well-being. Similarly, efforts to combat hunger must look at who is malnourished, in what way and how, and be linked to targets related to food production, access and prices.

Source: UN Millennium Development Goals Report 2014

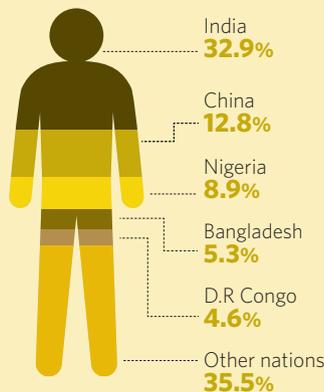
### TARGET 1.A Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day

#### Proportion of people living on less than \$1.25 a day, 1990 and 2010 (%)



Global target met 5 years ahead of deadline

#### Top five countries with the largest share of the global extreme poor, 2010

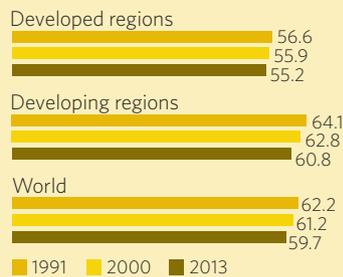


#### Number of people living in extreme poverty - SDG 1 aims to eradicate this



### TARGET 1.B Achieve full and productive employment and decent work for all, including women and young people

#### Employment-to-population ratio (%)



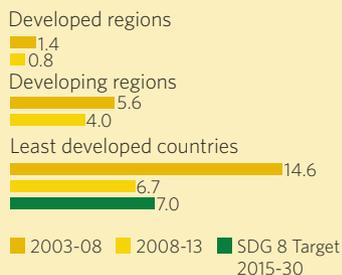
#### Vulnerable employment

Developed regions Developing regions



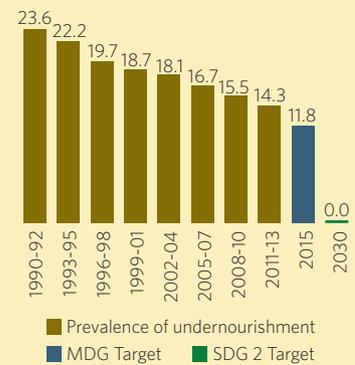
#### Limited improvement in job quality is accompanied by slowdown in productivity growth (%)

Average annual growth in output per worker, 2003-2008 and 2008-2013 (percentage)



### TARGET 1.C Halve, between 1990 and 2015, the proportion of people who suffer from hunger

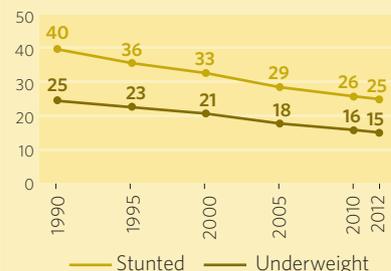
#### Proportion of undernourished people in developing regions, 1990-2013 (%)



842 million undernourished

99 million Under 5 undernourished and underweight

#### Proportion of children under age five moderately or severely stunted, and moderately or severely underweight, 1990-2012 (%)



For related SDGs: 1, 2, 8, 9 and 10, see: <http://sustainabledevelopment.un.org/focussdgstml>

# Global research and teaching in international development studies



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**Habib Daffalla**, Msc International Development graduate

Director General for Programme Coordination, South Sudan HIV/AIDS Commission (SSAC), Republic of South Sudan

# Disaster management in the post-2015 framework

*The huge disparity in losses suffered by wealthy and poor countries, affected by hazards of similar severity, has spurred the international community to tackle disaster risk reduction*

By **Margareta Wahlström**, Head, UN Office for Disaster Risk Reduction (UNISDR); Special Representative of the Secretary-General for Disaster Risk Reduction

**T**he Indian Ocean tsunami of 26 December 2004 was a turning point in galvanising public opinion worldwide on the subject of disaster risk management. How could more than 200,000 people die with little or no warning in an age of mass communications? And how could so much vital infrastructure such as houses, roads, schools and hospitals be lying in harm's way, waiting to be swept away by a raging sea?

These were just some of the questions which troubled delegates attending the last UN World Conference on Disaster Risk Reduction, organised by UNISDR and the Government of Japan and held in the full glare of the media spotlight as more than 500 journalists descended on Kobe, Hyōgo Prefecture, just three weeks after the tsunami had inflicted economic losses estimated at \$14 billion.

So it was that in January 2005, a very focused gathering representing 168 countries – including the UK – adopted the world's first comprehensive agreement on disaster risk reduction, the 'Hyōgo Framework for Action (2005-2010): Building the Resilience of Nations and Communities to Disasters' (HFA), which is

the framework that has guided disaster risk management to the point today where we are now seeking to improve on it at a new World Conference to be held in Japan next March.

At first glance, the achievements of the last 10 years may not look so great. Since the beginning of the 21st century, it is conservatively estimated that 1.3 million people have died in disaster events, economic losses are in the order of \$2.5 trillion and, in an average year, over 200 million lives are disrupted by disasters.

## **Extreme hazards, extreme inequalities**

It's also clear from the experience of the last decade that extreme hazards and events are not synonymous with extreme risks. When similar numbers of people are affected by hazards of similar severity, wealthy and poor countries generally experience radically different losses and impacts.

One has only to contrast the death toll of 6,200 caused by Typhoon Haiyan in the Philippines in 2013, with the loss of 117 lives in the United States as a result of Hurricane Sandy. Or the deaths of over 200,000 people in the 2010 Port-au-Prince earthquake in Haiti, with the 525 who died a few weeks later when Chile was hit by a more powerful earthquake.

These broad comparisons underline a fundamental truth about disaster risk



management, which is that countries struggling with risk governance can find it more difficult to address underlying drivers of risk, such as rapid urbanisation, climate change, poverty and environmental degradation. Often those who struggle most are also experiencing conflict or political instability.

Nonetheless, over the last 10 years of reporting against implementation of the HFA there are many positive signs of change and clear indications that the culture of disaster risk reduction is starting to spread far and wide.

Perhaps the most visible sign is that 146 countries have been reporting on their efforts to implement the sweeping reforms contained in the HFA, and 121 have enacted legislation to establish policy



▲ Survivors of Typhoon Haiyan react as a US military helicopter delivers aid to their isolated village north of Tacloban, central Philippines

and legal frameworks for disaster risk reduction.

It also clear that, in line with the HFA priorities, early warning systems, better preparedness and more effective disaster response have helped to bring down the death tolls from weather-related disasters. Few died in India last October when Cyclone Phailin made landfall in Odisha State, as some one million people had been moved to safety to avoid a recurrence of the 10,000 deaths that resulted from a similar category-5 cyclone in 1999.

#### UK contribution

From the outset, the UK has played an active role, for example, in promoting implementation of the HFA and acceptance of its priorities, designed to

save lives and reduce economic losses.

The UK Cabinet Office has participated fully in all three HFA monitoring cycles to date (2007-2009, 2009-2011 and 2011-2013). In 2009, the UK Cabinet Office hosted a meeting of European National Platforms for Disaster Risk Reduction, which directly led to the establishment of the European Forum for Disaster Risk Reduction (EFDRR), which is now served by UNISDR's Regional Office in Brussels. That meeting also spurred engagement in the ground-breaking HFA mid-term review carried out by UNISDR to identify gaps and challenges in the implementation process.

Discussions at the EFDRR resulted in the UK becoming the first country to voluntarily undergo an HFA Peer Review,

in an exercise that sought to overcome any question marks over the value of a self-reporting mechanism and to introduce a possible new element for monitoring and reporting, which could be considered for inclusion in the post-2015 successor to the HFA.

The review, carried out by representatives from UNISDR, the European Commission's Humanitarian Aid and Civil Protection department and the Organisation for Economic Co-operation and Development, confirmed that the UK has achieved a high level of preparedness at both national and local level to respond to natural hazards and

that it is continuing to build the resilience of society to mitigate the impact of disaster events. The review also recommended that the UK authorities shift emphasis from a reactive disaster management focus to a more pro-active risk reduction approach in line with the HFA priorities.

This thread of UK engagement with the spirit and substance of the HFA has triggered another development now that the European Commission has included the HFA Peer Review process as part of its work programme in the EU and border countries. The UK Cabinet Office has actively encouraged other countries to join the process and will participate now in a HFA Peer Review of Finland.

#### **Needed: three inter-locking frameworks**

The Prince of Wales in his remarks to a global summit organised by UNISDR and the Willis Group, and hosted by the International Insurance Society, in June 2014, highlighted the post-2015 framework for disaster risk reduction as an important opportunity to build on the significant progress of the last 10 years, seeing it also as an important bridge between the Sustainable Development Goals and the climate change agreement due to be adopted in 2015.

These three agreements clearly need to be interlocking, inter-dependent and mutually reinforcing in order to lay the foundations for disaster resilience in the 21st century, a century of heightened risks

### ***To maximise ongoing efforts, more emphasis is required on measures to ensure local action***

due to climate change, economic growth and development, population growth (particularly in hazard-exposed urban areas) and environmental degradation.

The UN system is geared to support this, following the adoption of the UN Plan of Action on Disaster Risk Reduction for Resilience by the Chief Executives



Board of 29 specialised agencies at the instigation of UNISDR. A key objective is to ensure that development policies, programming and investments, in every country, are informed by risk assessments.

A crucial issue for consideration in the next framework is that exposure of people and assets in both higher- and lower-income countries has increased faster than vulnerability has decreased, thus generating new risk and a steady increase in socio-economic losses. For each of the last four years, economic losses from major disaster events have exceeded \$100 billion, money which could have been spent on health, education and job creation.

The ongoing creation of new risk – much of it triggered by rapid urbanisation and population growth in exposed seismic and coastal locations – coupled with existing risk, requires continued efforts to reduce vulnerability.

▲ People seek safety on higher ground in Iquique city, Chile. A magnitude 6.7 earthquake triggered a preventive evacuation of coastal areas. There were no injuries

The HFA has provided clear guidance on the priority actions needed to address exposure and vulnerability across sectors. To maximise those ongoing efforts, more emphasis is required on measures to ensure local action – an ‘all-society-approach’ – and to adopt a new framework, which will guide international and national efforts over the next 20 years.

The aims of the HFA remain valid: there is a need to manage disaster and climate risk in a way that reduces mortality and economic losses. The revised HFA, the new framework to be adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, next March, must lay the foundations for real measurable and verifiable progress to be made. ●

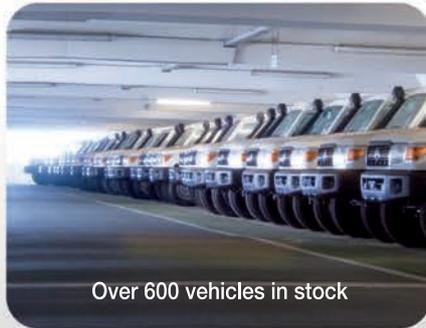


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# An agenda for resilience

*The timing of the post-2015 process and World Humanitarian Summit provides a unique opportunity to bring development and humanitarian actors together for inclusive, effective and accountable action*

By **Dr Jemilah Mahmood**, Chief of the World Humanitarian Summit

In 1991 the UN General Assembly passed a landmark resolution to “make more effective the collective efforts of the international community, in particular the United Nations system, in providing humanitarian assistance”. Nearly 25 years later, the fundamental principles guiding humanitarian action remain unchanged, but the landscape has changed profoundly. New technologies have revolutionised almost every aspect of life and are now reaching more parts of the globe. At the same time, humanity is facing new challenges, including climate change, urbanisation and rapid population growth.

Humanitarian needs are on the rise. Between 2004 and 2013, the number of people targeted each year through inter-agency appeals rose from approximately 30 million to 70 million, and millions more were served by local organisations and governments. Humanitarian action is also becoming more costly: in the same time period, humanitarian funding requests nearly doubled from \$6 billion to over \$10 billion per year.

The number of actors involved in humanitarian action has increased considerably. Disaster-affected countries, civil society organisations and regional organisations play an ever-more prominent role, and the number of NGOs operating in emergencies has risen dramatically.

New actors have also emerged in recent years. More middle-income countries are becoming donors for the first time, and militaries, diaspora networks and the

private sector are increasingly involved in humanitarian action. Emerging technologies, meanwhile, have enabled people affected by crises to express their views and needs more immediately and with greater impact.

In response to these opportunities and challenges, humanitarian actors have continuously sought to improve their services and ways of working, with major reform processes initiated by the UN in 2005 and 2009. But there has been no collective exercise since the current system was formed to take stock of its strengths and assess how to respond to new challenges.

For this reason, the UN Secretary-General will convene a World Humanitarian Summit in Istanbul in May 2016. It will provide, for the first time, a platform for a structured exchange between all humanitarian actors – including governments, humanitarian organisations, communities affected by conflicts or disasters, and new partners such as the private sector – with the goal of collectively setting a new agenda for humanitarian action.

## **An inclusive agenda**

The next chapter in humanitarian work must represent the widest range of perspectives and experiences. Following the model developed for the post-2015 process, the UN Office for the Coordination of Humanitarian Affairs (OCHA) will hold a series of online consultations and regional consultations in the two years preceding the summit to gather views and facilitate a truly global discussion.



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The consultations will focus on four thematic areas identified collectively by governments, humanitarian organisations, and communities: humanitarian effectiveness, reducing vulnerability and managing risk, transformation through innovation, and serving the needs of people in conflict.

In 2014, the first two regional consultations were held in West and Central Africa and North and South-east Asia. Partners gathered inputs from a variety of constituencies, which were discussed and transformed into clear recommendations for the regions and the global humanitarian community. Although far from over, these two consultations have already produced forward-thinking recommendations for the future humanitarian agenda, some of which are summarised here.



▲ Residents wait to receive food aid distributed by the UN Relief and Works Agency at the al-Yarmouk camp in January 2014. The residents of Yarmouk, a Palestinian neighbourhood in Damascus that took in refugees after the creation of Israel, are trapped by an army siege

The anecdotal experiences shared by people in both regions questioned typical assumptions about what people in conflict want from humanitarian actors. Stakeholders affirmed that more than food or water, people want humanitarian action to provide security, hope and upholding of their human dignity. Participants said that doing so required them to interact transparently with all parties in a conflict and maintain the principle of neutrality.

On the theme of humanitarian effectiveness, stakeholders in both regions strongly felt that accountability to affected people is fundamental to effective humanitarian action. They recommended that humanitarian programmes should feature a clear system of communication and feedback with those affected to ensure that their needs and preferences are being

met. There was also a consensus that to be truly effective in a wide variety of contexts, humanitarian action should focus on empowering local communities and their representatives to be in a position to respond more effectively themselves.

In order to manage risk and reduce vulnerability, they underscored the need to prioritise preparedness and prevention. They called for humanitarian actors to work together to close the gap between early warning and early action in order to better mitigate the known risks of recurrent, seasonal shocks, including drought, food insecurity, flooding, disease outbreaks and malnutrition.

These recommendations mean that risk analysis, planning, financing and advocacy between the humanitarian and development sectors should be aligned.

The unique timing of the World Humanitarian Summit and post-2015 process provides a joint platform to go even beyond this to:

- collectively define targets and indicators;
- ensure that measuring progress across both processes is coherent; and
- find practical solutions to bring development and humanitarian actors together around a resilience agenda that breaks down the existing silos between the two sectors and helps us address global trends such as climate change.



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▲ Relatives of crew members wave as China's hospital ship 'Peace Ark' leaves for the Philippines, to assist the victims of Typhoon Haiyan. Middle-income countries acting as aid donors is a positive new development in recent years

Finally, there was a broad consensus that in order to be fit for the future, humanitarian actors must increase their capacity to take advantage of new tools and innovative ideas. Participants called on humanitarian actors to make it a core priority to empower people affected by conflicts or disasters to find innovative ways to help themselves.

Participants also recognised that an effective innovation ecosystem for humanitarian response is not going to arise spontaneously. They suggested that all actors should come together to provide the leadership, structures and resources to ensure the humanitarian community can adapt with the necessary speed.

To enable this, there is a need for a more focused innovation agenda that looks not just at exciting new ideas, but also at how we can change the culture and the structure

of humanitarian organisations to support a more proactive approach to solving problems. These recommendations, and many more like them, will continue to be refined in the lead-up to the summit. They will be added to, tested and discussed in other regions. At the same time, teams of experts will provide recommendations in

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### *The next agenda for humanitarian action must be about more than humanitarianism*

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each of the four thematic areas, and on cross-cutting issues as they arise.

In late 2015, a thematic and a global consultation meeting will be held to consolidate the outcomes of all the consultation processes into a set of recommendations and propose strategies for how to turn these into action. These conclusions will be presented in a report to

the Secretary-General, which will set the agenda for Istanbul and beyond.

#### **A vision for humanity**

It is still too early to make any predictions as to what the outcomes of this process will be, nor indeed how it will be linked to the post-2015 development agenda. One message, however, is already loud and clear: that the next agenda for humanitarian action must be about more than humanitarianism – it must be about humanity. After all, it is our compassion for people whose lives are disrupted by conflicts or disasters that makes us human.

The vision for a world where all people can live in peace and dignity transcends differences in our cultural, religious, social and economic backgrounds. The World Humanitarian Summit must be a platform for action that puts humanity – the needs, hopes and dignity of people in crisis – at the centre of the humanitarian agenda. We must all play our part in order to ensure that this process truly leads to far-reaching change. ●

# Local leadership creates lasting solutions



By **Ann Hudock**,  
Senior VP of International Programs,  
Plan International USA

Perhaps the most important achievement of the UN Millennium Development Goals (MDGs) has been focus. Calling out eight goals as priorities for poverty reduction has increased impact. Some goals appear elusive though. For example, Goal 3 to promote gender equality and empower women lags behind across all geographies. Insufficient progress has been made in the area of women's equal representation in national parliaments and this goal won't be met if the trend continues. When women are in public office, they can bring their unique perspective to policy discussions and inform debate on public expenditure around health, education, and water and sanitation – real priorities for poverty reduction.

Looking ahead to a post-MDG period with a broader set of goals, there are trends that point to progress. Top of the list is the concern around country ownership and localisation. USAID Forward is a good example of a policy designed to foster greater collaboration with host country governments and to carry out the foreign assistance agenda through local actors. It is well-intentioned and welcome, but will not lead to more effective foreign assistance unless it is thoroughly implemented. Simply working the US development agenda through local organisations would be a significant step backwards. The more USAID's agenda is co-created and co-implemented with local communities, governments, and civil society, the more successful and sustainable it will be.

The ambition of the MDGs and the post-MDG period pulls us in the direction of large-scale, technically advanced interventions that deliver big impact. There is certainly a place for science and innovation. What might be more central to success in lasting poverty reduction, however, is empowerment of local communities to do their own analysis of problems and construct their own solutions. That's true country ownership and investing in that means investing in sustainable solutions.

A great example of this approach is community-led total sanitation (CLTS). Pioneered in countries like Bangladesh, India, Cambodia, Indonesia, and Pakistan where it is operating at scale, CLTS is about igniting a change in sanitation and hygiene behaviours and not about providing high-tech, or even low-tech, sanitation solutions. The approach concentrates on the entire community rather than on individuals, triggering and sustaining community-wide change through strong, peer-to-peer emotional responses to open defecation. This typically opens up opportunities for women and children to have a voice in environmental health, hygiene, and sanitation improvement where they may not have had it in the past. No outside intervention or technical expert could achieve the kind of impact that is generated by a neighbour challenging them to change.

And it works. From the 30,000 feet level, a recent study by UNICEF (2013) confirms that CLTS is achieving widespread results in East Asia



■ **Woman trained and employed by the government teaching people about the importance of sanitation in Bangladesh**

and the Pacific. CLTS has already spread to 12 countries in the region, triggered sanitation improvements in more than 12,000 rural and peri-urban communities, and led to more than 3.1 million people living in 2,300 Open Defecation Free (ODF) communities.

Drilling down to local examples illustrates the focus the approach has on local actors. Hatibandha Upazilla was the first sub-district to be declared ODF in Bangladesh. This followed an intensive campaign led by the administrative head supported by all political parties. Other key factors were the commitment of NGO staff – Plan International Bangladesh and Dishari, an NGO dedicated to CLTS – working closely with local government; the training of imams and their preaching in mosques; task forces at all levels; days when staff in different organisations would go to villages together for verification of ODF status; and certification by the District Magistrate. Some 10,000 people came to the celebration of the Upazilla's ODF status in January 2006. The campaign switched to promoting improvements to latrines, with steady progress up the sanitation ladder.

Perhaps the lesson of CLTS is that if we want to achieve big results we have to start small and trigger the behaviours and community engagement that foster collective community action, scalable to national progress. CLTS approaches demonstrate that once communities achieve the stated sanitation goals they often don't stop there, but move on to develop solutions for education, employment, and equality. This kind of bottom up rather than top-down development might be just what is needed to create large-scale and sustainable change. ■



**Plan** Promising Futures,  
Community by Community

# Using the law to contest and claim economic and social rights

*Increasingly, economic and social rights are being recognised at global summits and enshrined in national constitutions. In practice, what impact does this have on development?*



By **Tam O'Neil** and **Pilar Domingo**,  
Research Fellows, Politics and Governance  
Programme, Overseas Development  
Institute (ODI)

In international law, economic and social rights are human rights guaranteed by binding international treaties, including the International Covenant on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of all Forms of Discrimination against Women (1979) and the Convention on the Rights of the Child (1989).

States that have signed these treaties have a legal duty to respect, protect and fulfil economic and social rights (ESRs) of everyone within their jurisdiction. These include the rights to education, health, water, and an adequate standard of living (including food and housing and social security), as well as rights related to the workplace and the environment.

As such, ESRs have direct relevance to development and realising ESRs can not only contribute directly to the achievement of the Sustainable Development Goals, but also bolster their authority and ambition.

### International commitments and constitutional reform trends

Social and economic rights have become more prominent on the international political agenda in the past 30 years. The end of the Cold War provided an opportunity to overcome the apparent ideological division between economic and social rights and civil and political rights. Member States' historical affirmation of the indivisibility of all human rights at the 1993 Vienna World Conference opened a new chapter in international rights advocacy and activity.

This paved the way for the recognition of the interdependence of development, security and human rights at the 2000 Millennium Summit, and for 'In Larger Freedom', a seminal report released by the

UN Secretary-General five years later. The report set out a blueprint for realising the UN Charter's vision of 'better standards of life in larger freedom', encompassing freedom from want and freedom from fear. Many of the report's proposals were endorsed by governments at the 2005 World Summit.

These international legal and political commitments provide an enabling environment for national mobilisation and action. This is important. Enforcement of commitments through international mechanisms is difficult and rare. Economic and social rights are only realised through country-level political and social processes: by negotiating and passing national laws, through the social acceptance of new rights and duties, and through the rule of law and people's access to justice in practice.

Part of the process of negotiation is deciding what is affordable for a country. States have minimum core obligations in their fulfilment of economic and social rights and duty to not discriminate in the entitlements that they do guarantee. However, the principle of progressive realisation in international law also recognises that states can only be held accountable for ensuring improvements in economic and social conditions through the deployment of maximum available resources.

In short, rights become real through bargaining between social groups about shared norms and the social contract between state and society. The good news is that the past 30 years have also seen a tide of democratisation and a constitutional trend towards more progressive bills of rights.

Increasingly, economic and social entitlements feature more prominently in the social contract as a matter of course. Notable examples include the Colombian constitution of 1991, the South African constitution of 1996 and, more recently, the Kenyan constitution of 2010. Such constitutional guarantees of ESRs enable the judiciary to use review mechanisms to test the justiciability of these rights – that is, the degree to which they can be claimed and enforced in the courts – with the potential to improve oversight of state commitments.

Nevertheless, the challenge remains to ensure the implementation of constitutional commitments, and in ways that benefit the most vulnerable groups in society.

### Legal empowerment for vulnerable groups

The UN has long recognised law and justice as the bedrock of development, peace and human rights. The rule of law features prominently in its founding treaties and subsequent landmark documents, including the Millennium Declaration. As the UN Secretary-General noted in 2008, "ultimately, the equal protection of the law as the means to achieve freedom from fear and freedom from want is the most sustainable form of protection. Perhaps the United Nations contributions to such protection are its most profound achievements. Yet, success in this pursuit is

### What is legal empowerment?

Legal empowerment occurs when poor or marginalised people, individually or collectively, use the law, legal systems and justice mechanisms to:

- advance their rights and interests and improve or transform their social, political or economic situations;
- hold those in power to account for their legal obligations and performance; and
- contest unjust power relations.

Legal empowerment is concerned with implementation of the law in practice, not just entitlements on paper. The law includes diverse types of enforceable rules, such as regulations and contracts and international, customary or religious norms and their associated justice mechanisms, as well as statutory laws and judicial precedents applied through the courts.

◀ In Cape Town's Khayelitsha township, Thenjiwe Madzinga cares for four grandchildren, who were orphaned when her daughter died from AIDS. South Africa adopted its constitution in 1996, which guarantees a right to health

## Wellbeing in international development



By **Dr Sarah White, University of Bath**

*'Development – we need it, but the development which is coming in this area is a development which is consuming our land bit by bit. Bit by bit, our land is being consumed. It means the community... eventually the community will have very little place to live, so that's why it is a hazard.'*

Villager, Chiawa, Zambia, 2012

Getting it right post-2015 means putting people's wellbeing at the centre of development. Recent research in Chiawa, Zambia by the University of Bath shows what this means.

In Chiawa the alienation of customary land for agribusiness or safari lodges has undermined local livelihoods, removing access to water, grasslands and firewood. Wild animals such as elephants frequently destroy crops and present a constant threat of physical injury or even death. Social trust is low, people fear losing their land, feel excluded from decision-making and are afraid to speak up against those in power.

By contrast, local understandings of wellbeing emphasise an ethic of taking care of others. Uniting material, moral and relational dimensions, it is a model of power well used.

This research suggests that land rights for the poor must be at the heart of the post-2015 agenda. Chiawa is just one example of a worldwide dispossession that is taking place in the name of development. Land rights must be complemented by environmental protection and promotion, since human wellbeing is grounded in a broader ecology with earth, air, water and the other animals. The third principle is accountability. Robust mechanisms are needed to ensure local women and men can debate priorities and participate effectively in shaping any development that does take place.

This research belongs within a wide portfolio of work on wellbeing in international development at the University of Bath, including a dedicated MSc programme, doctoral research, and research on the capability approach.

*The Politics of Wellbeing, Conservation and Development in Chiawa, Zambia. 2013*  
[www.wellbeingpathways.org](http://www.wellbeingpathways.org)

*Wellbeing and Quality of Life Assessment: A Practical Guide. Ed. Sarah C. White with Asha Abeyasekera. Practical Action Publishing. 2014.*

*Wellbeing, Justice and Development Ethics. Séverine Deneulin, Routledge. 2014.*

among the hardest to attain.”

This recognition has led the UN to give particular attention to the rule of law and how assistance in this area can be improved in the past decade, and, in 2012, to UN Member States reaffirming their commitment to the rule of law.

The international community has provided assistance to law and justice institutions in developing countries since the 1960s, in guises such as the Law and Development Movement, democratisation and good governance, and economic liberalisation.

However, since the early 2000s, there has been growing recognition within the development community of the shortcomings of traditional rule-of-law-assistance. The overly top-down agenda of rule-of-law reform, focused on state-centric and technical approaches to reforming judicial institutions, has produced disappointing results – and particularly in terms of improved access and outcomes for poor and marginalised people.

In response, development scholars such as Stephen Golub have advocated the need for a 'legal empowerment' approach to development. This approach is about grassroots and practical action: it begins with the needs and priorities of poor people and focuses on the concrete mechanisms through which they can use the law to realise their rights in practice, to increase their power and security, and to move out of poverty.

Legal empowerment has been important to reorient the attention of the international community towards the experience of the 'end users' of law and justice programmes. The UN Commission on the Legal Empowerment of the Poor (2005–2008) officially articulated the approach and provided a platform for discussion of the relationship between the law and the social and economic rights and wellbeing of people in developing countries, within the UN and beyond. And, throughout this period, many international and domestic non-governmental organisations, as well as donors such as the World Bank, have been working to support the legal agency of the



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poor. They do this through a wide range of processes and mechanisms, including advocacy and rights awareness-raising, law and redress mechanisms, legal literacy, legal aid, support to paralegals and support to strategic litigation organisations.

Legal empowerment initiatives have therefore tended to focus on grassroots activities: on how individuals, with or without the support of legal professionals (particularly paralegals), and NGOs can use local dispute-resolution mechanisms of different sorts to seek solutions to, and immediate redress for, practical problems and claims.

However, other types of legal and justice mechanisms can empower poor and marginalised people. Where support is available, vulnerable people can assert their rights, individually or collectively, through an array of legal, horizontal and social accountability mechanisms, such as litigation in high courts, administrative redress mechanisms, ombudsmen and

▲ A farmer clears land for crops near a new residential compound in Hefei, China. The Communist Party plans to give farmers more property rights as part of a programme of measures designed to reinforce the economy

human rights commissions. These forms of legal mobilisation are able to forward collective interests and to combat structural injustice in order to (incrementally) transform structures of abuse, exclusion and discrimination.

### The transformational effect of legal empowerment

The use of the law and justice mechanisms can empower vulnerable people in three concrete ways, each with the potential to contribute to the advancement of their social and economic rights.

First, through the process of using the law, people can develop the personal capabilities, such as self-belief and self-worth, or awareness of rights and of structural discrimination, necessary to

have real choices and control over their lives. This ‘power within’ is essential for marginalised people to challenge either the under-provision or the unfair distribution of rights and resources.

Second, legal action can help to consolidate new progressive constitutional rights. For example, strategic litigation by women’s legal organisations has resulted in landmark gender equality cases in relation to women’s personal status, and inheritance and property rights. Effective legal action by civic organisations and networks has also changed government policy on the provision and management of health, housing and water services. Through such strategic litigation, individual claims, often about practical needs and interests, can lead to concrete gains for poor and marginalised groups.

Third, legal action can activate the state’s regulation and oversight of the provision services essential for the realisation of ESRs. The case brought by the Treatment Action Campaign against pharmaceutical companies in South Africa is a well-known case in health rights. As a result, the price of essential antiretroviral drugs was reduced.

Legal empowerment is by no means a panacea for closing the gap between rights on paper and rights in practice. Inadequate capacity within the justice system in developing countries is one reason, but a more fundamental one is that legal action is inherently political. Disputes about the law and entitlements are invariably about the distribution of power and resources between individuals or groups – this is particularly acute with respect to economic and social entitlements. In most countries, though to different degrees, powerful groups capture the law and legal processes and use them to protect their interests and the status quo and to marginalise others.

The Millennium Development Goals have created an impetus behind certain ESRs. Improving the legal agency of poor and marginalised people is one route to increase the likelihood that these can be realised in a sustainable and equitable way during the next phase of global development goals. ●

# Where governments falter – the role of the private sector

*It is in the interests of companies to make up for the shortcomings of government but they must adopt a multi-stakeholder approach to avoid the dangers of taking on the role of the state*

By **Sir Mark Moody-Stuart**, Chairman, Foundation for the UN Global Compact

**W**here governments falter or fail in their duties, the negative effects on society are widespread. It is difficult to run a good business in a society that is fractured or under various forms of strain, so it is in the interest of business to join with others to address the failures.

Such provision is not just philanthropy – it is to a company's advantage to ensure that its workforce, their families and the surrounding communities are healthy; that educational standards are such that workers have the skills required; and that economic development grows consumer demand.

The emphasis on working with others is critical, for if a single business or even a group of businesses acts alone, there are significant dangers. The first is that by taking on the role of government in some area, for example the philanthropic provision of education or healthcare, both government and the population at large may come to rely on that free provision. The demand will outstrip a company's ability to provide and the service may in the end collapse.

A greater danger is that the company usurps and controls the government.

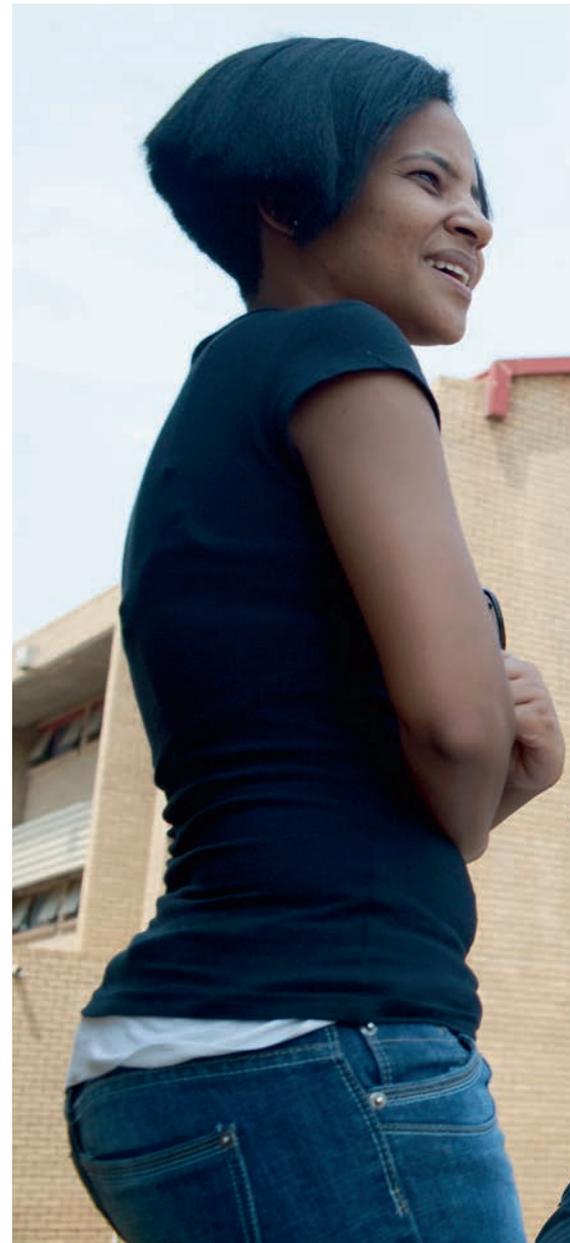
History is full of such examples, from the activities of the East India Company in the 18th and 19th centuries to the 20th-century activities of United Fruit in the Central American 'banana republics' or ITT in Africa. Working in coalition with civil society helps to keep all parties honest.

## The UN Global Compact

When the then-UN Secretary-General Kofi Annan called on companies to subscribe to a compact by which they undertook to endeavour to embed the principles of the major UN conventions on human rights, the environment, working conditions and, later, corruption into their day-to-day business, part of his genius was to include civil society and labour organisations.

Although the UN Global Compact (UNGC) was to be business-led, it took from the outset a multi-stakeholder approach to these issues. Today in the Compact, there are more than 8,000 businesses in more than 140 countries, employing over 55 million people. There are also some 4,000 civil society and other organisations involved in the UNGC.

One of the great strengths of the UNGC, and a driver for its future development, is the growth of 'Local



Networks', active in over a hundred companies. These bring together companies large and small, national and international, with civil society and labour organisations, to work together on the particular priority issues in that country.

Despite its success to date, the UNGC covers only a fraction of the almost 100,000 international companies and an infinitesimal percentage of the millions of small businesses. It is only through the development of the Local Networks that it will be possible to reach the small and



© Getty

medium-sized enterprises that make up much of business.

### Risks and opportunities

If business is to work with civil society, it is necessary to build trust between the parties. Trust is best built by openness and this is why all business signatories to the UNGC must commit to report publicly in the form of a 'Communication on Progress' on what they are in fact doing to ensure that their business actually operates in line with the ten principles of

the Compact. Failure to do so results in expulsion from the Compact.

But what happens when it is a government that fails? In some cases, a state may be unrepresentative, guilty of human rights abuses or extremely corrupt. In such situations, international businesses are faced with a choice – should they withdraw from the country or remain engaged? Other governments are also faced with a somewhat similar choice – should they remain engaged or try and force change through the application of financial sanctions?

▲ Students at the University of Botswana in Gaborone. Debswana, a 50/50 partnership between De Beers and the government of Botswana, has assisted Botswana's transformation from one of the world's poorest countries at the start of the 1970s into one of Africa's most developed countries today

For a company, a decision on withdrawal will generally be based on whether a government is likely to force it to deviate from its own standards. It may also be under pressure from investors and civil society organisations to withdraw, although such calls for divestment are



less frequent nowadays as a realisation grows that it is perhaps better to have a responsible company engaged than not. In taking such a decision, a company also has responsibilities towards its national employees, who will remain, whatever the decision. Local business has no luxury of choice.

There are challenges and risks in remaining engaged. These may include operating in highly corrupt environments and being subject to charges of complicity with an oppressive regime or individual. Corruption is the easiest to address – no company has to make corrupt payments if it does not wish to, except perhaps in cases of extortion where human life rather than merely loss of business is the price of not complying with demands.

The work of John Ruggie, former UN Special Rapporteur on Business and Human Rights, has done much to clarify the situation on complicity. In the UN Guiding Principles on Business

▲ Iranian students protest against sanctions, standing in front of an anti-US mural, painted on the wall of the former US Embassy in Tehran. The effects of sanctions can be counter-productive and it can be argued that engagement by responsible businesses is a more effective tool against oppressive regimes

and Human Rights (2011), through his 'Protect, Respect, Remedy' Framework, Ruggie places the responsibility to protect human rights squarely on the nation state.

However, businesses must also ensure that they respect the human rights of all they come into contact with. Both governments and businesses, therefore, have a responsibility for remedies where human rights are infringed.

#### To engage or not?

There may be times when a business is forced to withdraw due to sanctions. In my experience, the imposition of sanctions on, for example, Iran for over 30 years has merely aided and concentrated power in an unattractive regime, decimated the

commercial sector and put such financial resources as there are in the hands of the government and its cronies. Enthusiasts for sanctions point to the present negotiations with Iran on nuclear activities as a successful product of sanctions, but this has come at much human cost to the impotent majority.

Furthermore, the creation of bitterness and distrust provides a poor foundation for negotiations. How much better if we had maintained an ongoing engagement, commercially and otherwise, expanding rather than destroying the middle class and providing a counterweight not directly dependent on government? The same could be said of Sudan and Myanmar.

#### What is 'responsible'?

When responsible businesses remain engaged in such countries, not only does this result in the honest provision of improved goods and services. It also leads to the creation of jobs that are not dependent on the government, and to the development of other companies in the supply chain.

Such activities can also demonstrate that it is possible to achieve sound business results without engaging in corrupt practices. Much care, consideration and engagement by responsible companies and civil society is required if the effects are indeed to be beneficial. The qualifying word is 'responsible'. How should we define it?

There are three elements that come into play:

- 1) the commitment to a code of principles, such as the Global Compact;
- 2) public reporting on progress in the implementation of this code in the organisation's day-to-day business; and
- 3) a governance structure that is open to public pressure from shareholders, consumers and civil society organisations and which is committed to engagement and cooperation with all other elements of society.

In whatever country, these are the elements that help to ensure that business can indeed play a progressive role where governments falter. ●

# UNDP project impacts on Africa's socio-economic development

**A**s the world approaches the 2015 deadline for the UN Millennium Development Goals (MDGs), African enterprises continue to move away from the trap of revenue chasing, to become some of the world's leading hubs for socio-economic growth and development.

Formed as early as 1989, the African Training and Management Services (ATMS) project has played an important role in the fight for continuing change. A joint initiative of the International Finance Corporation (IFC), United Nations Development Programme (UNDP) and African Development Bank (AfDB), the ATMS project was established to play a key role in catalysing economic development in the African continent, while at the same time promoting job creation.

Through its implementing company, the African Management and Services Company (AMSCO BV), the project has been able to assist African enterprises to become globally competitive, profitable and sustainable across a range of key sectors, including agriculture, health, energy, tourism, ICT, financial services and manufacturing. Dedicated funding by donor organisations to assist these burgeoning enterprises is facilitated through the ATMS Foundation.

This leading human capital development solutions organisation has effectively solved the skills and capacity gaps of many private and public sector enterprises through four targeted solutions: placement of international experts; recruitment; capacity development; and technical assistance programmes.

Through innovative means, these integrated solutions have not only enhanced productivity, sustainability and active citizenry, but they have strengthened the capacity for indigenous managers to run businesses and build local capacity.

With AMSCO's interim placement service, where expert talent is sourced and placed in client companies, enterprises continue to improve operational and financial efficiency, and management systems. A simultaneous skills transfer process and succession planning has often enabled a local manager to succeed the AMSCO managers once all development objectives have been achieved. AMSCO currently has 406 expert professionals placed in 250 companies in sub-Saharan African countries.



■ AMSCO has helped African enterprises to become globally competitive, profitable and sustainable across a range of sectors, including agriculture

Central to the ATMS mandate are AMSCO's technical assistance programmes. Focused primarily on SMEs, entrepreneurship and improved livelihoods, these programmes enable indigenous companies to work with various partners through targeted interventions for private sector development.

One such platform in partnership with the AfDB has been the Growth Oriented Women Enterprise (GOWE) programme, aimed at female entrepreneurs in Kenya. More recently, AMSCO partnered with the Cadiz ASSIST Fund in Southern Africa, to provide support to financial intermediaries and small businesses in order for them to better serve the communities in which they operate.

To further upscale skills development in the region, AMSCO offers capacity development services to both client and non-client companies looking to build well-trained teams for improved operational efficiency. AMSCO conducts training needs assessments and, in collaboration with its clients, custom designs practical and job orientated management development programmes to suit the company's needs.

ATMS Foundation may subsidise a percentage of the cost of the training programmes for SMEs that are AMSCO clients who cannot afford the full cost, using financial support provided by donors. This further contributes to the achievement of MDG 8, which recognises the importance that strategic partnerships play in accelerating Africa's growth.

In working with host governments and a mix of public and private bodies, AMSCO managed to institute unique human capital solutions that harness the ideals set out in the MDGs, while contributing to Africa's sustainable growth. ■



■ Focused primarily on SMEs, AMSCO's technical assistance programmes enable indigenous companies to work with various partners for private sector development

# The scourge of illicit financial flows

*Stopping the illegal flow of money away from developing countries is key to achieving the aims of peace, human rights and development established at the UN's creation*

By **Raymond Baker**, President, and **Tom Cardamone**, Managing Director, Global Financial Integrity

In December 1948, the UN adopted the Universal Declaration of Human Rights (UDHR), which established for the first time a comprehensive list of the most basic freedoms and rights that all individuals, by their birth, are granted. The aim of the Declaration was to underscore that all people have the right to expect lives that are, according to the text, based on “dignity... freedom [and] justice”.



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The international community has struggled to live up to this standard ever since. But, as the UN begins its final year of negotiations on the post-2015 Sustainable Development Goals (SDGs), the potential to reach the high ideals set forth in the UDHR is great. However, it will take leadership, political will and innovative steps to achieve it.

The Declaration links the concepts of peace, human rights and development to make the point that in any society, where one of the three components is missing, it is difficult – if not impossible – to achieve



the other two. Article 25 of the Declaration spells out the most fundamental components of a dignified life, including a “right to a standard of living adequate for... health and well-being... including food, clothing, housing, and medical care”.

Despite the fact that the Declaration was adopted more than six decades ago, the document’s focus on the core needs remains at the heart of the UN’s post-2015 SDG agenda. Much progress has been made towards the Declaration’s ideals since its adoption. According to the UN Millennium Development Goals (MDG) Report 2014, over the last 14 years, the world has reduced extreme poverty by half and about 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990.

However, as a global community, we have fallen far short of the point where everyone enjoys the basic necessities of life. Indeed, as the final year of the MDGs approaches, “about one in eight people were estimated to be suffering from chronic hunger in 2011-2013... nearly one in seven children under age five are underweight... one in four remains stunted,” according to the 2014 MDG Report. And the challenges are likely to increase. According to the UN, by 2050 populations in less developed regions of the globe will grow by 45 per cent, putting additional pressures on governments and the international community to fight poverty.

The traditional focus of the international human rights community, particularly in the West, has been on civil and political rights. One reason for this is the perception, often correct, that those who violate civil and political rights can be easily singled out and prosecuted, while the causes of economic hardship are usually far more difficult to attribute. But there are cases where the perpetrators of economic hardship could be held to account, for example, those who harm some of the world’s most vulnerable people by illegally siphoning money out of developing countries.

◀ Protesters outside the Chancellery in Berlin demand that the G20 leaders take action to combat tax evasion

According to published studies based on International Monetary Fund (IMF) data<sup>1</sup>, some US\$1 trillion in illicit funds exit developing economies each year. These illicit financial flows (IFFs) deplete government coffers of domestic resources, undermine the ability to reach MDG targets, dissuade foreign investment and weaken economies. The largest component of illicit flows are those related to misinvoiced trade. Approximately 80 per cent are due to fraudulent trade transactions that misrepresent the price, quantity or quality of goods being shipped into or out of developing countries. This problem is widespread, with more than 88 per cent of all developing countries having some level of trade-related illicit flows.

#### IFFs equal global poverty

Trade misinvoicing, moving hundreds of billions of dollars a year illegally from poor countries to rich countries, is, in fact, the main reason why global poverty persists and inequality within nations grows. It is the most tangible and fundamental reason why good governance lags in scores of nations, and why human rights – economic rights – are violated for billions of people. If this is curtailed, it will result in a more equal, and more just, global economy.

Despite the fact that extreme poverty is not often seen as a human rights problem, over the past few years the scourge of IFFs has become a major focal point of the economic development community. Since 2009, all major multilateral fora focusing on development have addressed the issue in some way. Indeed, advances in this area can be seen in the Base Erosion and Profit Shifting Project at the Organisation for Economic Co-operation and Development ([www.oecd.org/ctp/beps.htm](http://www.oecd.org/ctp/beps.htm)); in the Automatic Exchange of Information process ([www.oecd.org/tax/exchange-of-tax-information](http://www.oecd.org/tax/exchange-of-tax-information)), which was endorsed by the G20 in 2013; and in the progress toward public registries of beneficial ownership information of legal entities, which has been promoted by G8 action plans.

Based on these initiatives, the linkage of IFFs to global poverty has gained a



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foothold in the international community. But more must be done.

Fortunately, there has been growing interest within the UN to consider including in the post-2015 SDGs a target to reduce illicit flows. Specifically, this SDG target would challenge developing countries to reduce IFFs related to trade misinvoicing by 50 per cent. The innovative component of this idea is that, except for a relatively small amount of

needed to achieve the SDGs. The proposal to include an SDG target on illicit flows may be coming at just the right moment. With ever-growing foreign aid levels a thing of the past, more practical steps are needed to address the funding needs to reach the yet-to-be-finalised post-2015 development goals. This concrete proposal would be measurable – given that governments already provide trade data to the IMF each year – and achievable.

▲ Luxembourg's then Prime Minister and Eurogroup chairman Jean-Claude Juncker (right) greets Spain's Economy Minister Luis de Guindos (left) at a Eurogroup meeting. During Juncker's tenure, Luxembourg was transformed into one of the world's leading tax havens

## *The proposal to include an SDG target on illicit flows may be coming at just the right moment*

foreign assistance to upgrade customs departments at the outset, once levels of misinvoiced trade come down, government revenue in the form of income tax and customs duties would be greatly increased.

Such a target would actually be a development enabler by providing hundreds of billions of dollars to countries, which would, in turn, bolster efforts

It would also be a companion effort to the steps developing countries have taken to create a more transparent global financial system.

Further, curtailing illicit outflows will help spur the economic changes required to enable countries to grow to the point of no longer needing foreign aid. A primary result of that growth will be a larger middle class

and, with it, more tax payers and consumers and a better-educated population from which entrepreneurship can thrive.

Curbing illicit flows is not a panacea. Strong economic growth will also require good governance, rule of law, a free and open media, and a flourishing civil society. But, without the funds to prosper, these societal changes will not be sufficient to elicit significant change. By keeping more money where it is earned, countries would have the possibility of fulfilling the promise of the Universal Declaration adopted all those years ago. It is now up to the international community to demonstrate the leadership and political will needed to begin that process. ●

<sup>1</sup> See [www.gfintegrity.org/report/2013-global-report-illicit-financial-flows-from-developing-countries-2002-2011/](http://www.gfintegrity.org/report/2013-global-report-illicit-financial-flows-from-developing-countries-2002-2011/)



# Natural resource trading opportunities drive positive change

## Conflict-free minerals delivered through the ITSCI supply chain initiative

### What are 'conflict minerals'?

**M**any developing countries are rich in natural resources, a sector from which earning and development opportunities are frequently lost through poor management and corruption. The UN has also highlighted concerns over the role that mineral trade can play in funding armed conflict, such as from cassiterite (tin), tantalite (tantalum), wolframite (tungsten) and gold production from the Democratic Republic of the Congo (DRC) and surrounding areas; the so called 3T&G 'conflict minerals'. Other organisations also aim to encourage responsible conflict-free supply chains with a key framework being the OECD Due Diligence Guidance for sourcing from high-risk and conflict areas.

### Co-operative action to facilitate responsible trade

Since 2010, the ITSCI supply chain initiative has rapidly developed from a small pilot to become the foundation of conflict-free 3T mineral trade across the DRC, Rwanda and Burundi. ITSCI is a voluntary private sector initiative understanding the importance of global markets and open, business friendly trading opportunities, yet working hand in hand with government



services, international (Pact) and local NGOs to deliver capacity building and improved governance. ITSCI is a practical mechanism developed to implement complex OECD due diligence expectations in an accessible and appropriate manner for the small businesses and artisanal miners of the African mining sector. This rule-based trading environment instils confidence and assures credibility, thus allowing conflict-free African minerals to access international markets at fair prices.

### Delivering results locally to access global markets

ITSCI has demonstrated the power of market incentive to create change in the most challenging areas of the world. Even small miner co-operatives in the remotest areas of central DRC have come to understand the importance of responsible trading in order to maintain their market and earnings. They are playing their part in this global mechanism of information collection and exchange, which also integrates technology into activities of local communities and authorities. The knowledge that wayward actions of police and security forces can create 'conflict minerals' unacceptable to the international market brings a new focus to local accountability and contributes to the objective of increasing stability and peace.

### Trade incentive as a driver of associated change

Aside from delivering responsible mineral trade and encouraging industry investment, ITSCI has indirectly created employment, improved earnings, created opportunities for learning, and increased professionalism. The programme is also reducing illicit trade and tax evasion, as well as discouraging corruption and increasing mineral revenue transparency. Stakeholders, including women and civil society groups, participate in resolution of local conflicts through a committee process, producing effective results around the mining areas as a result of the highly valued market access incentive.

*ITSCI was developed and is managed by the global not-for-profit tin and tantalum industry trade associations ITRI and T.I.C. [www.itsci.org](http://www.itsci.org) email: [itsci@itri.co.uk](mailto:itsci@itri.co.uk)*

ITSCI is an inclusive, sustainable, multi-stakeholder programme with a track record of global co-operation and achievement contributing to better governance, human rights and stability. The programme currently supports more than 1,000 artisanal mine sites, providing a livelihood for around 75,000 miners, with a likely 400,000 dependents. **We welcome new donors and participants to help the programme expand and be part of this success.**



# Environment and economic growth: inevitable conflict?

*Historically, economic growth and environmental degradation went, by and large, hand in hand. The 'information age' has provided not only a greater understanding of the destruction but also the tools to remedy it. The worldwide embrace of two concepts – green growth and deep decarbonisation – will be key to determining an inclusive and sustainable future for the planet*

By **Germana Canzi**, Senior Adviser to the Director General, Renewable Energy and Energy Efficiency Partnership (REEEP) and **John Tkacik**, Senior Manager for Communications, REEEP

In the international development sector, it's not uncommon for experts to be concerned about whether developing countries are ready to deal with sustainability issues rather than focus mainly on economic growth. But given what we know about current environmental trajectories – including impacts on future economic circumstances – does any country in the world really have a choice?

For the first time in human history, we have surpassed in 2014 the landmark point of 400 parts per million of CO<sub>2</sub> in the atmosphere, long considered a 'tipping point' by climate scientists. We are beginning to see signs of so-called positive feedback in the climate – natural processes that can greatly accelerate the pace of climate change.

At the same time, we are witnessing biodiversity losses unparalleled in human history, debilitating over-exploitation of oceans, extreme pressures on fresh water resources and agricultural production,

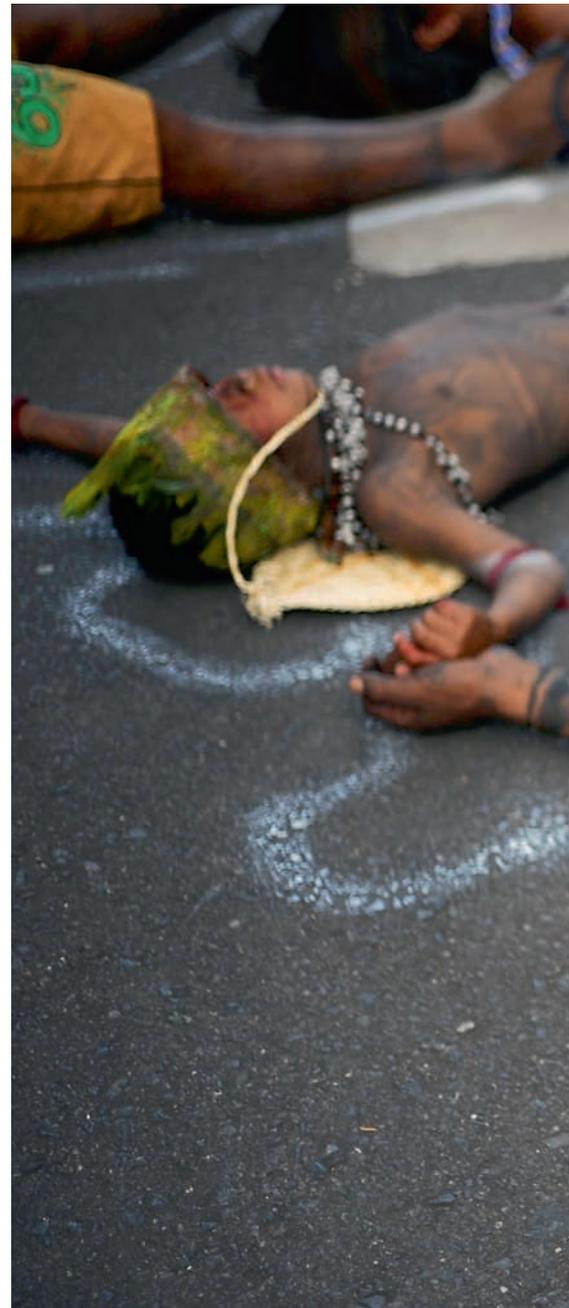
and resulting strains on human health and security.

Yet economic growth has played a dominant role in improving the quality of life for millions upon millions of people and will remain essential to lifting millions more from poverty. We must keep this in mind as we seek to stem the tide of natural resource degradation.

## Decarbonising and decoupling

Most climate experts believe that global net emissions of greenhouse gases (GHG) must approach zero by the second half of the century if we are to avoid catastrophic and unpredictable consequences. This will require a radical transformation of energy systems by mid-century, including rapid declines in carbon intensity in all sectors of the economy. A recent report led by economist Jeffrey Sachs called this process "deep decarbonisation" and explained how this effort could involve countries at different stages of development, albeit in different ways.

But the world is also one in which some one billion people are undernourished, another billion lack access to safe water and 1.5 billion have no access to electricity – one in which a rising global population



and global economic growth are putting new pressures on natural resources. The obvious answer is to attempt to de-couple the economic engine from its proverbial (and literal) emissions. Indeed the UN Sustainable Development Goals (SDGs), intended successors to the Millennium Development Goals (MDGs), recommend this specifically in Goal 8.4: "Improve progressively through 2030 global resource efficiency in consumption and



© Reuters

production, and endeavour to decouple economic growth from environmental degradation...”

This “de-coupling” is a necessity within the context of SDG 8, which also explicitly targets annual GDP growth of seven per cent in least-developed countries, for instance. But while the notion of decoupling itself is not necessarily new, it has been given a conceptual home in the field of green growth.

### Green growth

In the past few years the concept of green growth – economic growth that uses natural, human and social resources sustainably – has been gaining prominence, including within the SDG development discussions. It is rightly seen as a necessary paradigm for generating inclusive economic growth to reduce poverty and raise standards of living, while securing the capacity of the natural world and human

▲ Mundurucu Indians from the Amazon Basin in front of the Ministry of Mines and Energy, Brasilia, demonstrating against violations of indigenous rights and the construction of the Belo Monte hydroelectric plant

societies to feed that growth for generations to come.

Many countries have already embraced the green economy. A recent report by the Green Growth Best Practice Initiative evaluated 60 different national

programmes, highlighting some of the most impressive efforts in the developed and developing world.

Several countries now have adopted national green growth strategies, including China, Germany, Mozambique, Rwanda and South Korea. Many others are engaged in serious green economy efforts. Ethiopia has a Climate-Resilient Green Economy Strategy in place, aimed at it becoming a middle-income country by 2025 while putting in place measures to reduce growth in GHG emissions and climate-change impacts.

But as with any broad concept, the devil is in the detail. Volumes have been (and will continue to be) written about what constitutes inclusive economic growth, wellbeing and sustainability, and how we should measure them. Still, progress on the ground can already be seen in efforts to decouple economic growth from environmental degradation, thanks in large part to technological advancements. Particularly in the area of energy generation, technology is the great enabler of green growth, allowing developed countries to drastically reduce their emissions and developing countries to leapfrog the dirty industrialisation of the 20th century.

The SDGs explicitly include, unlike the MDGs, a specific goal (Goal 7) for sustainable energy access for all, one that aspires to universal energy access, as well as significant expansions of energy efficiency

### *Particularly in the area of energy generation, technology is the great enabler of green growth*

and renewable energy use. SDG 7 is a testament to the efforts of UN Secretary-General Ban Ki-moon's Sustainable Energy for All (SE4All) initiative.

While some countries in the industrialised world – for instance Germany and Nordic countries – have often been in the headlines for their energy transformations, the developing world is also undergoing an energy revolution. The Renewable Energy and Energy Efficiency



Partnership (REEEP) is among a handful of organisations that have been pushing clean energy transitions in developing countries for over a decade. REEEP focuses specifically on catalysing growth in clean energy markets – finding and supporting businesses that utilise clean energy technologies to replace or leapfrog fossil fuel. REEEP also emphasises another transition – that from donor funding to

▲ Entrepreneur Chen Guangbiao in Nanjing, China, during an event he organised to publicly shame polluting companies

technologies, compared with only 25 per cent from coal, gas or oil. Green energy is also growing fastest in developing and emerging economies. China, for instance, installed a record 12GW – the equivalent of 12 nuclear power stations – of solar power in 2013, which is more than has ever been installed by any country in a single year.

The renewable energy industry now employs over 6.5 million people worldwide, and the main growth in employment levels from this sector is now in the developing world, the largest number of jobs being in China and Brazil. Big changes are also afoot in India, where 400 million people lack access to electricity. The government announced in May that it plans to put solar power in every home by 2019.

The energy sector, long a source of environmental degradation, is becoming a force for environmental renewal and inclusive economic growth. ●

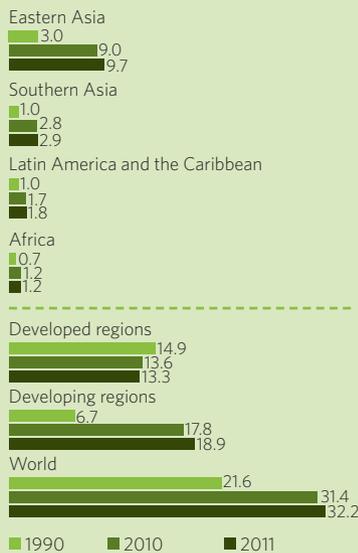


## ENSURE ENVIRONMENTAL SUSTAINABILITY

Two MDG 7 targets – on safe drinking water and slum dwellers – have been met ahead of schedule. But across the MDG framework, the use of relative targets and absolute numbers did not take account of population growth, so progress could be perceived as adequate despite an increase in the actual number of people suffering deprivation. On issues such as climate change, forests and biodiversity, the MDGs were not sufficiently linked to other UN processes in these areas. The new goals should remedy this.

**TARGET 7.A** Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

**Global greenhouse gas emissions continue their upward trend**  
Emissions of carbon dioxide (CO<sub>2</sub>), 1990, 2010 and 2011\* (billions of metric tons)



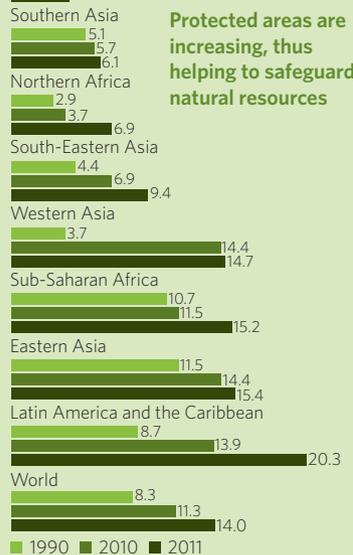
\* Data for 2011 are preliminary estimates and the breakdown for some MDG regions is not available.

**The world has almost eliminated ozone depleting substances**  
Consumption of ozone depleting substances (ODSs), 1986–2012 (Thousands of metric tons)



**TARGET 7.B** Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

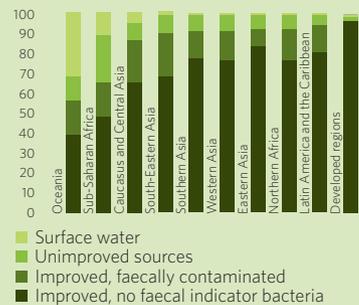
**Terrestrial and marine areas protected, 1990, 2000 and 2012 (%)**



**Protected areas are increasing, thus helping to safeguard natural resources**

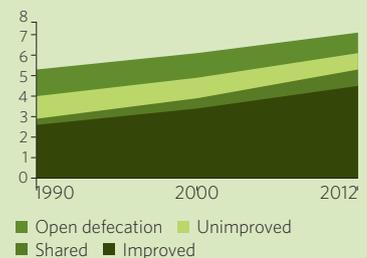
**TARGET 7.C** Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation

**Proportion of population by access to drinking water sources, 2012 (%)**



**2.3 billion**  
The amount of people who gained access to clean drinking water

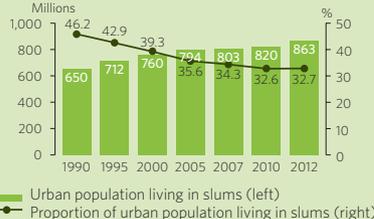
**Over a quarter of the world's population has gained access to improved sanitation since 1990, yet a billion people still resort to open defecation**  
Population by sanitation practices, 1990, 2000 and 2012 (billions)



For related SDGs: 6, 7, 11, 12, 13, 14 and 15, see: <http://sustainabledevelopment.un.org/focussdgstml>

**TARGET 7.D** Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers

**Urban population living in slums in developing countries, 1990–2012**



# Access to medicines: collaborating on patents, investing in research

*When the medicines required are the product of expensive research, what mechanisms can ensure the right to health of the world's poorest?*

By **Mandeep Dhaliwal**, Director, HIV, Health and Development Practice, Bureau for Policy and Programme Support, UN Development Programme (UNDP); **Katie Kirk**, Consultant, Intellectual Property and Treatment Access, HIV, Health and Development Practice, Bureau for Policy and Programme Support, UNDP; and **Tenu Avafia**, Senior Advisor, Law, Rights and Treatment Access, HIV, Health and Development Practice, Bureau for Policy and Programme Support, UNDP

**T**he right of every human being to the highest attainable standards of health is recognised by numerous international human rights treaties and national constitutions. Access to health technologies – including essential medicines, diagnostics and vaccines – is a core component of the right to health.

As AIDS evolved from a little-known disease into a full-blown public health crisis in the late 1980s and 1990s, it was thought virtually impossible to prevent the deaths of millions of people living with HIV, especially those in low- and middle-income countries (LMICs). The cost of first-line antiretroviral therapy (ART) under patent at the time exceeded US\$10,000 per patient per year. The introduction of generic antiretroviral (ARV) medicines in 2001 triggered dramatic reductions in the cost of first-line treatment – the combination of drugs that a person is given at the beginning of their therapy.

Today, competition from generic ARVs continues to exert downward pressure on prices; internationally approved first-line treatment regimens are now available at a little more than \$100 per patient per year. This precipitous price reduction was made possible because developing-country governments and treatment activists asserted the right of LMICs to use existing flexibilities in international trade rules to realise the right to health.

Yet, significant challenges remain. Evolving treatment needs require the use of newer, more expensive medicines. The cost of second-combination ARV therapy (used if HIV becomes resistant to the first, or if this produces bad side effects) is still double the price of first-line treatments. Third-line treatments are, on average, 15 times the price of first-line ARV therapy, making them all but inaccessible to patients, except in a handful of countries. As more and more LMICs are becoming increasingly self-reliant in financing their AIDS responses, this presents a serious threat to affordability and sustainability of national treatment programmes.

Another emerging challenge is the issue of middle-income countries (MICs). Three-quarters of the world's poorest 1.3 billion people currently reside in MICs, amid high inequality levels and growing disease burdens. It is estimated that by 2020, the majority of people living with HIV will reside in MICs. Yet, MICs are increasingly



being left out of special licensing and pricing arrangements available to low-income countries. More effective use of laws and policies will be required to ensure sustainability of treatment.

## Flexibilities to protect public health

The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) established a minimum protection standard for intellectual property rights, which the 160 WTO members, with the exception of least-developed countries,



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are required to implement through their national legislation. The discretionary space available to countries under TRIPS, widely referred to as TRIPS flexibilities, can be employed to protect and promote public health objectives. Two of the most frequently discussed TRIPS flexibilities are compulsory licensing (the ability of countries to override a patent to promote public health objectives), and the right of countries to grant only patents of the highest quality.

The use of TRIPS flexibilities was instrumental in stimulating generic

▲ Tasila Lungu with her one-year-old son, Felix, in Lusaka, Zambia. Lungu is HIV-positive and participates in the prevent mother-to-child transmission of HIV (PMTCT) programme at the Chelstone Clinic

competition and, by consequence, increasing access to first-line ARV medicines. However, if the benefits of TRIPS flexibilities are to be realised they must be more systematically incorporated into national law and used when required.

LMICs are empowered by the availability of TRIPS flexibilities to take measures to improve access to

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newer ARVs, other essential medicines, diagnostics and vaccines. But they can be prevented or discouraged from doing so, including through political pressures and bilateral and regional trade agreements under which some countries seek to limit their use.

A number of UN General Assembly Resolutions have reaffirmed the right to use, to the fullest extent, the flexibilities contained in the TRIPS Agreement for the protection of public health (for example A/RES/67/299), and encouraged states to refrain from adopting any measures related to trade and transit that affect access by developing countries to generic medicines and medical equipment (A/RES/64/188).

Increasingly, there are calls for fresh approaches, including by the Global Commission on HIV and the Law. The Commission, convened by UNDP on behalf of the UN Joint Programme on HIV/AIDS in 2010, comprised a panel of eminent persons who interrogated the relationship between legal responses, human rights and HIV. In its 2012 report, the Commission found that the TRIPS Agreement, which came into force in 1995, has proven to be a barrier in making life-saving medicines accessible to poor people. Among a range of recommendations on expanding treatment access, it called for countries to make full use of TRIPS flexibilities, as well as proactively use other areas of law, such as competition law, price controls, and procurement laws to increase access to pharmaceutical products.

### Research and development in LMICs

As the burdens of disease, and the nature of disease itself, continue to evolve, so too must the medicines, diagnostics and vaccines required to meet health needs. But the patent system has provided little incentive for the research and development of health technologies to prevent and treat the diseases afflicting LMICs. Of the 1,556 new medicines approved between 1975 and 2004, only 21 (1.3 per cent) were specifically developed for tropical diseases and tuberculosis, which are prevalent in LMICs.

The World Health Organization (WHO) Global Strategy and Plan of



▲ A health worker in Landhi Town in Karachi, Pakistan, marks a young girl's finger to indicate that she has been vaccinated against polio

Action on Public Health, Innovation and Intellectual Property has drawn attention to this problem. The strategy acknowledged that while there have been initiatives in recent years to develop such products, through public-private partnerships for example, they are not sufficient in terms of access and innovation. Under the WHO Strategy, countries agreed that “more efforts should be made to avoid suffering and reduce preventable mortality and to meet the health-related Millennium Development Goals”.

In line with this, countries are increasingly looking at how to better incentivise innovation that supports health priorities rather than commercial interest. This also applies to the practices relating to patenting and licensing of inventions.

One such proposal found in the WHO Strategy, as well as follow-up to the recommendations of the Global Commission on HIV and the Law, is to increase the use of prize funds. Prize funds incentivise innovation by rewarding research goals achieved upon the attainment of a milestone in the discovery or development of a health

technology. They may well prove to be a more efficient and cost-effective way of innovating.

### Needed: access and innovation

Increasing access to existing health technologies and encouraging the innovation required to meet LMIC needs calls for a multifaceted approach. The effectiveness of using TRIPS flexibilities to benefit public health has been established through the successful scale-up of access to ARVs. But for newer HIV treatments, and for treatments against emerging diseases, some of which could have equally devastating consequences for people in LMICs, these successes are yet to be realised.

If countries are to make progress on the health-related MDGs, and the health targets in the post-2015 framework, renewed attention on enabling legal and policy environments is critical, as is a fresh approach to new health technologies.

The development of new proposals requires greater attention, funding and support. Only then will we be able to make in-roads into improving access to existing drugs and encouraging the health innovation needed to confront effectively current and emerging health-related development goals. ●

# Mexico actively participates in the International Hydrological Programme



Mexico has been involved, through the Mexican National Committee for the International Hydrological Programme (**Conamexphi**), in the International Hydrological Decade since the launch of the UNESCO-IHP. Our country is currently a member of the Intergovernmental Council and has served on the IHP Board.

The National Association of Water and Sanitation Utilities of Mexico (**ANEAS**) is part of this committee represented by **Roberto Olivares**, Coordinator of the World Water Assessment Programme, thanks to the efforts and work of the Association and the Mexican Institute of Technology water (**IMTA**). **David Korenfeld**, Director General of the National Water Commission was elected as Chairman of the IHP at UNESCO's headquarters in Paris, France last June. The initiative on water quality as a platform was created during the session, aimed at the adequate channelling of activities, including access to water, sanitation and wastewater management.

Water issues are closely linked with development issues such as poverty, hunger, health, education, gender inequality, ecosystem integrity, climate change and disasters, among others; for this reason the linkages between water and other sectors under the context of sustainable development objectives should be emphasised.

The National Association of Water and Sanitation Utilities of Mexico, as it has been doing for more than three decades, will continue to work with an inter-institutional approach through **Conamexphi** and its members, in order to achieve the above targets and further the sustainability of the resource and the well being of society as a whole.

IHP global objectives for the post-2015 development agenda focus on five targets on water security for sustainable development to be achieved by 2030, including social, economic and ecological aspects:

**Target 1 Universal access** to safe water and sanitation for all.

**Target 2 Reduce water use** in agricultural irrigation by **20%**, industrial use by **20%**, and household use by **15%**, as well as increase by **50%** water resource productivity in all sectors,



adopting the water demand management method, crops consuming less water, technologies that enable saving water and greater reuse of wastewater under conditions of security.



**Target 3 Increase by 50** the number of countries that have adopted and implemented policies and programmes on public registration of water resources rights, based on the method of Integrated Water Resources Management (**IWRM**).



**Target 4 Reduce by 30%** the input of the main sources of water pollution at national level, increasing by at least **80%** the collection and treatment of urban wastewater, increasing by at least **95%** the industrial wastewater treatment, reducing by **30%** the pollution from diffuse sources and adopting measures to reduce pollution sources.

**Target 5 Halve the loss of human life and property** due to water-related disasters, strengthening the resilience of countries.



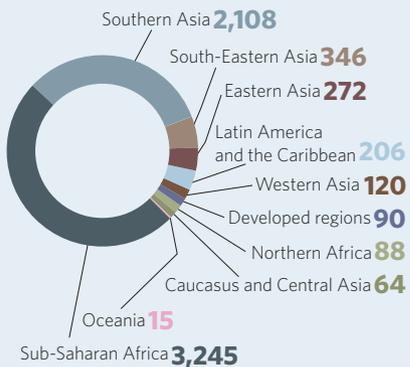


## 4 REDUCE CHILD MORTALITY

The basic MDG model assumed that past progress trends would continue if focus and support were maintained. Even without setbacks due to conflict or climate change, improvements in areas such as child mortality become more difficult and costly to sustain as reaching those left behind is often more complex. The SDG target to end preventable deaths of under-fives by 2030 will need to focus on marginalised groups.

**TARGET 4.A** Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Number of under-five deaths in 2012 by region (thousands)



It is critical to reduce the number of child deaths in sub-Saharan Africa and Southern Asia

1990 **12.6 million** ► 2012 **6.6 million**

Under-five mortality rate, 1990 and 2012 (deaths per 1,000 live births)



Despite substantial progress, the world is still falling short of the MDG child mortality target



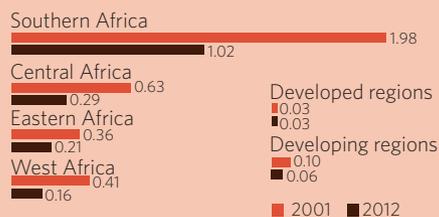
## 6 COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

The health MDGs have been criticised for focussing narrowly on certain diseases and for encouraging the pursuit of quick gains, for example, through large-scale malaria net distribution, thereby diverting attention from other pressing health issues and from reaching structurally disadvantaged groups that require more costly and complex interventions. The SDGs should address broader health challenges, but they must also not lose focus on the MDG targets if momentum on HIV/AIDS, malaria and tuberculosis is to be sustained.

**TARGET 6.A** There are still too many new cases of HIV infection

Have halted by 2015 and begun to reverse the spread of HIV/AIDS

HIV incidence rate (Estimated number of new HIV infections per year per 100 people aged 15-49), 2001 and 2012



**TARGET 6.B** Actual and projected number of people receiving antiretroviral therapy, developing regions, 2003-2015 (millions)

Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it



Source: UN Millennium Development Goals Report 2014

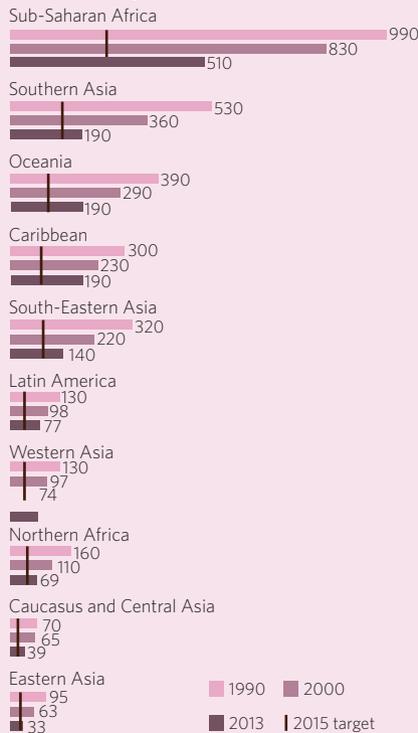


## 5 IMPROVE MATERNAL HEALTH

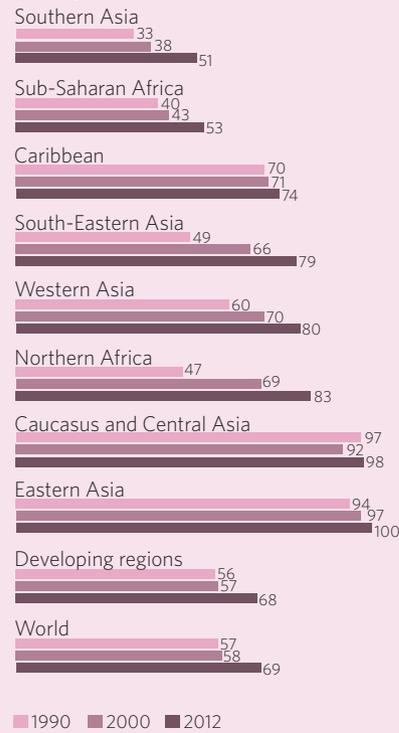
Progress on MDG targets has been strongest when sustained economic growth has supported targeted interventions, but more modest when structural changes and strong political commitment are required to guarantee sufficient and sustained financial support over a longer period of time. This is probably the reason behind the poor performance of many countries in reducing maternal mortality. The backlash on sexual and reproductive rights that has marked recent UN conferences is of extreme concern. The post-2015 agenda should make reference to instruments such as the Convention on the Elimination of All Forms of Discrimination Against Women.

### TARGET 5.A Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

#### Maternal mortality ratio, 1990, 2000 and 2013 (deaths per 100,000 live births)



#### Proportion of deliveries attended by skilled health personnel, 1990, 2000 and 2012 (%)



### TARGET 5.B Achieve, by 2015, universal access to reproductive health

#### Number of births to women aged 15-19 (per 1,000 women)

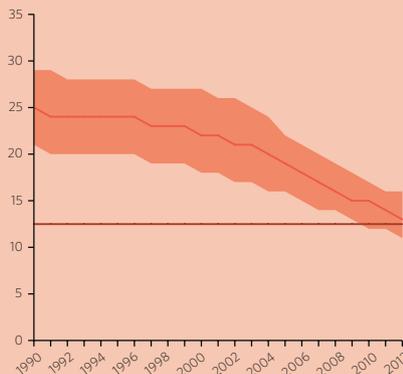


### TARGET 6.C

Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

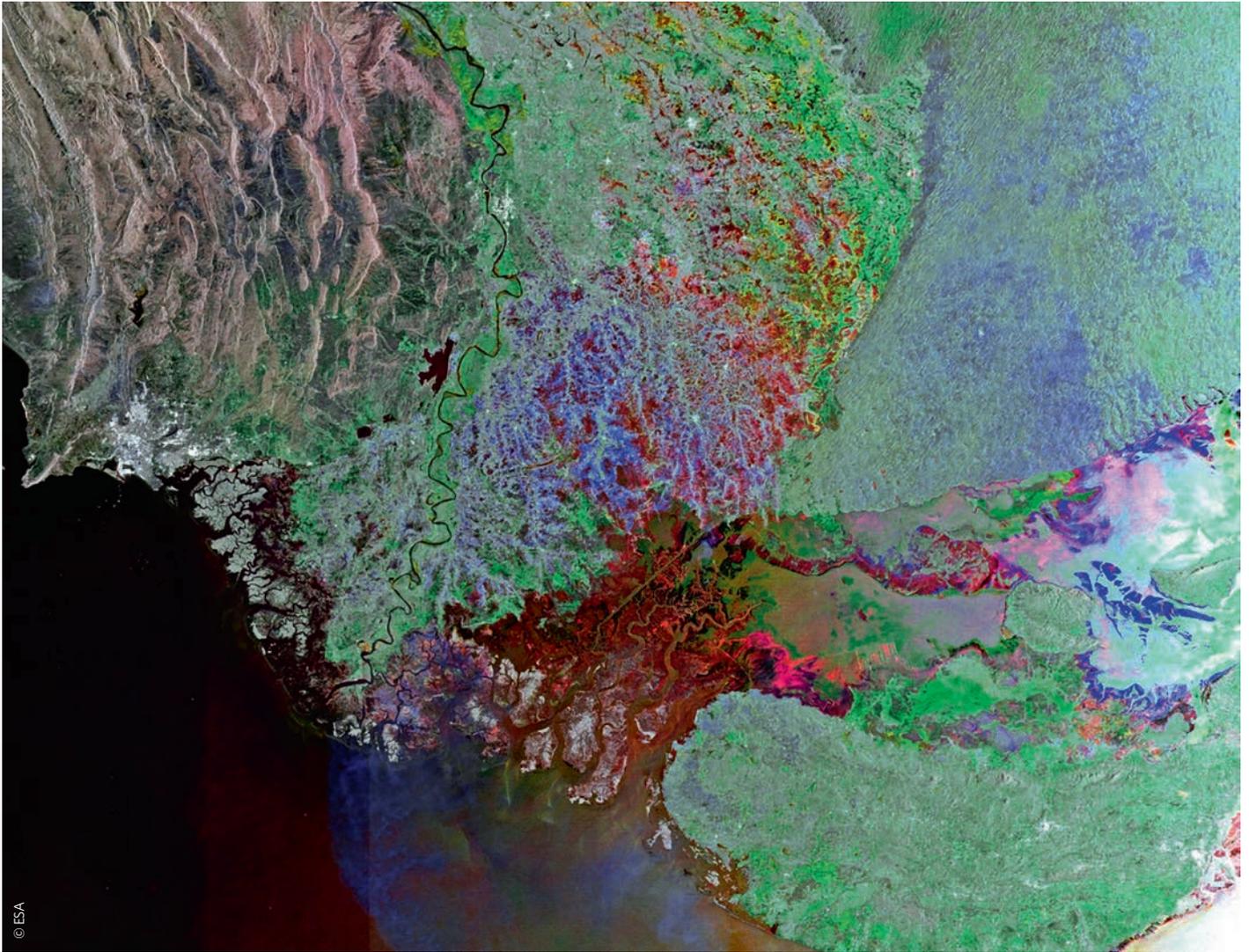
Estimated number of deaths due to tuberculosis per 100,000 population excluding people who are HIV-positive, 1990-2012

— Mortality trend  
 ○ Range of estimates  
 — Target



Between 2000 and 2012, malaria interventions led to a **42% decline** in global malaria mortality





# Harnessing the data revolution

*What will it take to transform data and technology into improved development outcomes?*

By **Nancy McGuire Choi**,  
Co-Executive Director, AidData

**T**he development community is abuzz with renewed energy and optimism following the call for a ‘data revolution’ by the UN High-Level Panel on the Post-2015 Development Agenda. The contours of this revolution are generally agreed upon – more accessible and usable data for policymakers and citizens – but the road ahead is uncertain. It is crucial that we flesh out how data can better inform decisions, empower citizens and drive new insights. As former

▲ Western India and southern Pakistan, with the Indus River snaking through Pakistan’s Sindh province

World Bank Vice President Jean-Michel Severino and Olivier Ray from the French Development Agency highlighted in their seminal work on the tectonic shifts under way in development, “the triple revolution of objectives, players and instruments is reshuffling the cards, dynamiting old practices and habits”.

Tackling climate change, violent conflict, food insecurity, international terrorism and other complex global challenges requires a high degree of coordination and complementarity across the maze of actors in development. We need high-quality, timely, relevant and disaggregated data to achieve real progress in these efforts. Even more important, we need to streamline these data into the decision-making processes of governments and donors.

#### Who’s doing what, where?

Too many decisions about where to allocate aid are made with incomplete information about the needs and opportunities for impact on the ground. A minister of education looking to make targeted investments in new teachers, supplies or upgraded classrooms needs to know what other investments are already being made, by whom and where. Before we can measure results from the complex web of development actors and projects, we must first ask a more basic question: Who’s spending on which projects and where on the ground?

Most studies assessing the distribution of aid and its impact on development outcomes use countries as the unit of analysis. Local-level data were once costly and difficult to capture systematically, and national-level data enabled donors to do reliable cross-country analyses.

Unfortunately, this country-by-country analysis has not provided the insights that governments, donors and civil society groups need when making tough decisions about where to allocate scarce development funds. Moreover, these national-level data do little to inform or engage citizens who are primarily interested in the development activities taking place in the urban and rural areas where they live.

Over the past few years, advances in data collection like geocoding – pinpointing

the precise geographic coordinates of development activities – help make development more tangible by illustrating who’s doing what, where and to what effect in a given community.

“[Geocoding] makes the distribution of aid visible by using maps and it can help decision-makers and other development stakeholders to support areas of the country where there is less official development assistance,” according to one official from the Ministry of Finance in Tanzania.

Layering spatial data on the locations of aid projects within a country with information on local socio-economic indicators enables scholars, planners and citizens to ask the questions that are most important to them, such as “Why is climate change funding allocated to Province X, when Province Y is the more vulnerable one?” and “Why are the largest donors supporting health clinics in the communities where health outcomes are already better?”

Maps rarely provide simple answers to complex questions, but they do often help governments, donors and citizens to ask the right questions. Maps also provide a departure point for deeper exploration and analysis. Shedding light on donor and government activities in a particular region

allow citizens to provide direct feedback to improve policies and service delivery and help foster true citizen engagement.

#### Putting data to use

But data is no panacea. It’s easy to get swept up in the hype around the ‘liberation’ of donor and government information fuelled by the open data movement, but ensuring that these data are used by citizens, policymakers and funders is easier said than done. Several basic conditions need to be in place to ensure that data are actually put to good use.

First, data at the project- and activity-level must be publicly accessible in a format that people can understand, use and compare. The majority of Organisation for Economic Co-operation and Development (OECD) donors have begun publishing to the International Aid Transparency Initiative (IATI) registry, which provides for a common reporting standard across agencies. That said, the pace and quality of the reporting remain a work in progress, often preventing the data from being usable to greatest effect.

Second, donors and governments must systematically tag projects and activities with geographic information and make these data public. At AidData, we work with governments around the world to

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### *Maps rarely provide simple answers to complex questions, but they do often help governments, donors and citizens to ask the right questions*

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of a country opens up new opportunities for coordination across development actors – for example, from a donor supporting community health workers to a minister of health seeking to understand which communities are underserved by health professionals. Citizens and communities can also use local, more granular, data on development investments and results to hold governments and funders to account. Such data availability, combined with the spread of mobile technology, could – with the proper approaches and incentives –

generate geospatial data and convert it into insights. In Nepal, for instance, the Ministry of Finance had implemented the Aid Management Platform in partnership with Development Gateway to track aid projects reported by over 40 donors, but recognised that more granular information was needed to better target domestic and external resources.

In collaboration with USAID’s Higher Education Solutions Network and Nepal Mission, AidData and Ministry staff collected location information on over

21,000 project sites, representing \$6 billion in donor commitments. The Ministry pledged to make and keep the data open to enable broad access by a host of users. Madhu Kumar Marasini, International Economic Cooperation and Coordination Division Chief and Joint Finance Secretary, remarked that “this openness will not only strengthen accountability in foreign aid mobilisation, but also provide additional opportunities to make aid more effective”.

At the same time, donors like the African Development Bank (AfDB) and the Asian Development Bank have embedded geocoding into their internal processes and are now publishing this geocoded data to IATI.

Third, citizens, public officials and scholars must have mapping tools to visualise and make sense of the data. In Nepal, AidData and Esri, a company that supplies geographic information system software, integrated a mapping feature into the existing government Aid Management Platform, enabling a broad user base to explore the data.

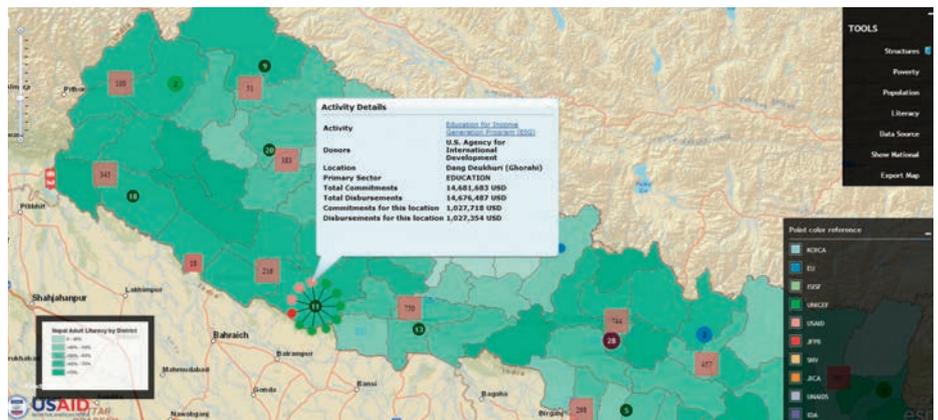
Appealing to a global audience, AidData launched the AidData.org platform to lower the barriers to data exploration with easy-to-use tools to explore research questions, create maps and visualisations, and share creations and insights. Flashy tools and technology bring data to life, but building the capacity for more people to make meaning from it, from the civil society group in a remote village to a policy-maker in the capital city of a developing country, is critical and often overlooked.

As such, sparking uptake and sustained use of data is the final frontier of the data revolution. From Open Data Bootcamps hosted by the World Bank, to hackathons in tech hubs around the world, there is a growing focus on building data literacy. Infomediaries and data journalists have the potential to reach more people by transforming raw data into stories, visualisations and analysis.

One innovative model that holds promise is Code4Kenya, which embeds tech-savvy fellows and developers in media and civil society organisations, with promising early wins, like the ‘Find My School’ application for comparing primary



▲ The African Development Bank’s MapAfrica site (<http://mapafrica.afdb.org>) displays the subnational locations of all the bank’s investments in Africa



▲ Overlay of education project locations with district literacy rates in Nepal’s Aid Management Platform (<http://portal.mof.gov.np>)



▲ The AidData portal ([www.aiddata.org](http://www.aiddata.org)) enables users to view project locations alongside key development indicators, such as the locations of various donor health projects overlaid with infant mortality rates in Indonesia

school performance. We need to seed more creative, grassroots approaches like Code4Kenya to make data relevant and useful to local organisations and citizens.

Spurring and sustaining demand for broad data use will not be an easy process. Citizens and communities need to experience first-hand how data can help them engage in dialogue about priorities and further their own development agendas. If information is to be relevant

it needs to be closer to the lives, needs and aspirations of citizens. This is where more granular, local information is a foundational piece to the success of the data revolution.

As donors and governments invest heavily in the ‘supply side’ by opening up and creating vast stores of new data, devoting equal attention to kindling sustained demand and capacity for use of these data will be crucial. ●

# From MDG 1 to 8, ISAGEN's goal is to contribute to prosperity



From its creation, ISAGEN opted for values that marked its commitment to corporate sustainability in the energy sector. The Company defined its clear objective of contributing to economic growth focused on environmental and social issues, all of which require conviction, persistence, coherence and team work. Therefore, making official its commitment to the UN Millennium Development Goals (MDGs) ratified its focus on the wellbeing of its society stakeholders, recognising that all of them are core to successfully accomplishing any of its undertakings.

The Company is still firm in this conviction, setting new challenges aligned with the 10 principles of the UN Global Compact and other global initiatives, reflecting its willingness to work in coordination with others for real contribution to create shared value. Examples of this approach are the financial results and sustainability practices that led to its inclusion in the Dow Jones sustainability stock market indices and Global Compact 100.

"This is an acknowledgement, both from national and international markets, that our decision to work towards sustainability and decisively directing our actions to the top goal of generating intelligent energy and prosperity for society is the right path to follow in the future," says Luis Fernando Rico Pinzón, General Manager.

For each MDG, this Company has programmes and activities in place for their fulfilment, including some of the following:

## 1. Eradicate extreme poverty and hunger

ISAGEN is committed to the communities in the area of influence of its power plants and projects, through social management that goes beyond legal obligations. It fosters productive projects aimed at self-management

- Third power generator in Colombia.
- 16.97% share in the National Interconnected System.
- 2.212 megawatts (MW) installed capacity, 1,912 MW hydraulic, and 300 MW thermal.
- Develops hydroelectric and renewable energy sources.
- Commercialises power to wholesalers and large industrial consumers, for joint development of energy efficiency programmes.
- Listed in Colombian Stock Exchange.
- Belongs to various initiatives and sustainability indices.

dynamics, investing in education and food security programmes. Further, it supports local suppliers and social projects and offers its employees fair working conditions.

## 2. Achieve universal elementary education

The Company intends to contribute to improvement of education quality in the areas of influence of its power plants and generation projects. To this end, it provides school supply packages, supports physical infrastructure and libraries, environmental education and other training programmes. Thanks to its alliance with ICETEX, the state agency for promotion of higher education, it benefits low-income university students through soft credits and sustainment subsidies. ISAGEN, likewise, supports education of its employees' children through financial aids for grammar, high-school and higher education.

## 3. Promote gender equality and women's autonomy

ISAGEN is committed to gender equality, guaranteeing the non-discrimination principle and executing initiatives that contribute to the development of its employees in their personal, family and working environment.

## 4, 5 and 6. Reducing child mortality, improving maternal health and combating HIV/AIDS, malaria and other diseases

ISAGEN promotes productive projects aimed at reducing poverty among its communities; supports education and food security programmes; promotes reproductive health, AIDS prevention, and treatment of some tropical diseases; and participates in development of health brigades.

## 7. Guarantee environmental sustainability

ISAGEN implements environmental management policies at a strategic level related to the development of renewable energy sources, reduction and compensation of its carbon footprint, and provision of energy efficiency services for its clients. It develops programmes for an Integral Management of Water Resources to promote sustainable and productive use of water in the country. In addition, through the Environmental Management System, it identifies, assesses, prevents, controls, mitigates and compensates the environmental impact associated with power generation, thus ensuring compliance with applicable legal requirements and supplementary commitments accepted.

## 8. Promote global association for development

ISAGEN participates in global initiatives to promote sustainable human development, namely Global Compact, Water Mandate, Caring for Climate, Business for Peace, among others. It further supports social projects intended for achievement of MDGs by training local and regional communications media, making communities aware of the relevance of achieving these goals in the year 2015. ■

Additional information on ISAGEN's sustainability undertaking is available in its 2013 Management Report. See: [www.isagen.com.co/informe-de-gestion/2013/](http://www.isagen.com.co/informe-de-gestion/2013/)

# Forging strategic partnerships

**Africa Network Campaign on Education for All (ANCEFA) is committed to partnerships for inclusive quality education in Africa, before and after 2015**



■ Participants of the third General Assembly of ANCEFA, which took place in Dakar, Senegal on 10 November 2012

**A**frica Network Campaign on Education for All (ANCEFA) is a voluntary, non-partisan and not-for-profit network of national civil society organisations in 35 countries in Africa, championing the cause for quality education. Its secretariat is in Dakar, Senegal, but it has regional programme offices in Lome, Togo; Lusaka, Zambia; and Nairobi, Kenya.

ANCEFA has existed since the Dakar World Education Forum in 2000 and its strategic focus areas are 1) campaigning for the financing of equitable and inclusive quality education for all; 2) ensuring national accountability; 3) promoting quality teaching and learning and 4) institutional strengthening of ANCEFA.

ANCEFA believes in forging strategic partnerships as central for promoting the right to education in Africa, where 29.6 million of the world's 57.8 million out-of-school children live. Unfortunately, funding to ensure more children have access to quality education is limited, with UNESCO reporting the first ever decline in aid to basic education from US\$6.2 billion in 2010 to US\$5.8 billion in 2011. These challenges require strong partnerships to address.

ANCEFA's commitment to partnership has been demonstrated in the past ten years in the network's advocacy for the right to quality inclusive education in Africa. The network has managed to maintain partnerships with at least 15 International institutions, including the African Union, UNESCO and Global Campaign for Education. In 2013, ANCEFA signed a landmark five-year Memorandum of Understanding with the African Union Commission to promote education on the continent. ANCEFA has worked with UNESCO in mobilising participation of NGOs in regional and international policy forums such as the Global Education Meetings and the EFA Big Push initiative in African countries.

Fruits of such partnership have included: enhanced capacity of civil society in policy analysis, monitoring and advocacy; increased financial

resources for education; and enhanced attention towards access to education, particularly for the marginalised and vulnerable, such as children with special needs, girls and orphans. In many countries, through budget tracking and community monitoring of service delivery, there is enhanced governance and accountability in the education sector.

Looking ahead, particularly to the period after 2015, ANCEFA will seek to maintain existing partnerships and forge new partnerships with various cooperating partners. This recognises that the post-2015 demand for pro-poor policy and effective implementation will require joint strategic planning, joint capacity building interventions and evidence-based advocacy to bring real change in the lives of people.

As such, ANCEFA would like to call upon various institutions at national, regional, international and global levels to contact and work with ANCEFA in the noble cause of promoting the right to inclusive quality education in Africa before and after 2015. ■

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Website: [www.ancefa.org](http://www.ancefa.org)



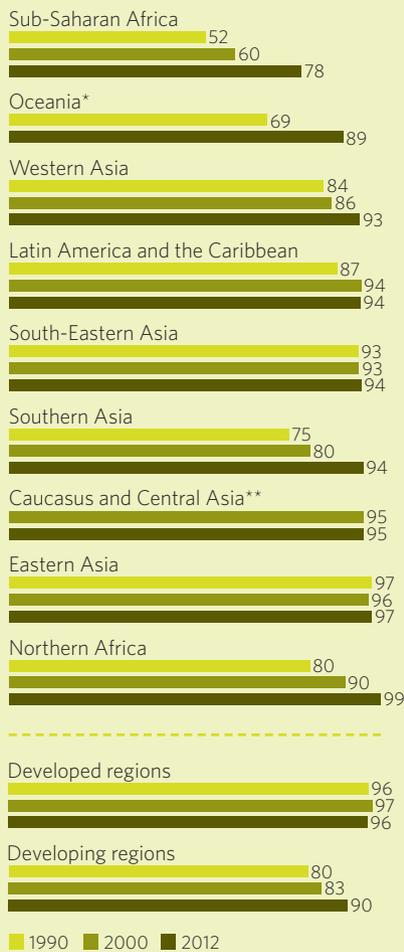


## ACHIEVE UNIVERSAL PRIMARY EDUCATION

The MDG focus on minimum achievements – such as on primary school enrolment numbers – did not capture the challenges of middle-income countries, now home to the majority of the world’s poor. It also overlooked the dangers of developmental bottlenecks, where the lack of educational standards, teacher training and investment in secondary education creates a cycle that defies the objective of Goal 2. The new goals should address this and ensure that education targets also promote lifelong learning and training that supports employability.

**TARGET 2.A** Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

**Adjusted net enrolment rate for primary education, 1990, 2000 and 2012 (%)**

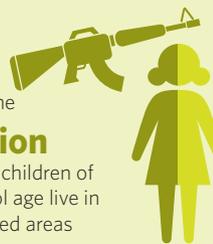


\*Data not available for 2000  
\*\*Data not available for 1990

For related SDGs: 4 and 8, see: <http://sustainabledevelopment.un.org/focussdghtml>

**Quick facts**

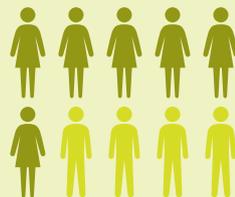
**Half** of the **58 million** out-of-school children of primary school age live in conflict-affected areas



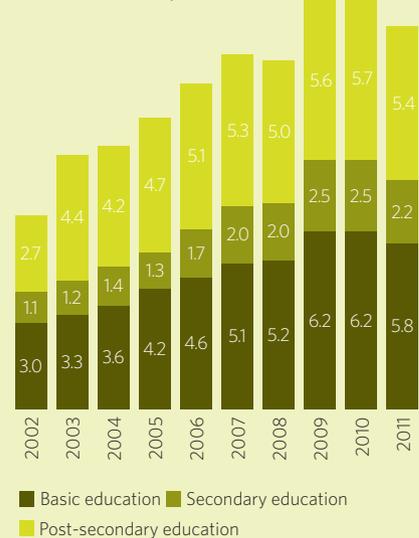
**781 million** adults lack basic literacy skills



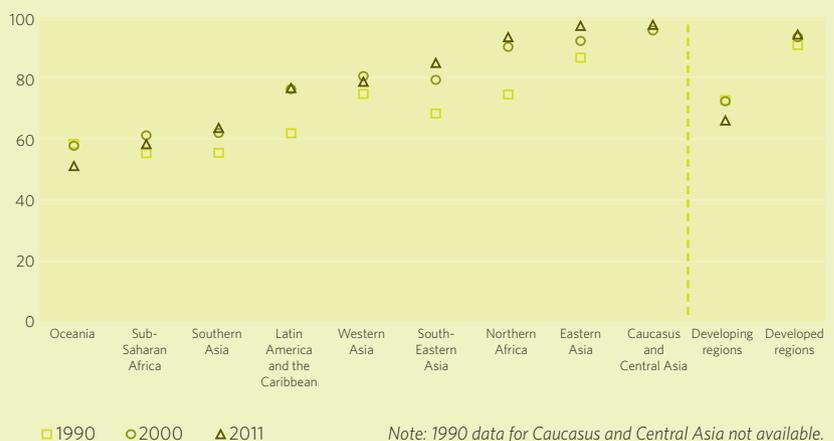
more than **60%** of them are women



**Total aid to education disbursements, 2002-2011 (Constant 2011 US\$ billions)**



**Proportion of pupils starting grade 1 who reach the last grade of primary education, 1990, 2000 and 2011 (%)**



Note: 1990 data for Caucasus and Central Asia not available.

# The foundation for development

*Education is a powerful catalyst for development outcomes – the post-2015 agenda should give it due prominence*

By **Pauline Rose**, Professor of International Education, University of Cambridge; Director of UNESCO's 2013/4 Education for All Global Monitoring Report

Treaties and laws worldwide recognise that education is a fundamental human right. The 'Education for All' goals agreed by governments around the world in Dakar, Senegal, in 2000, further acknowledge its indispensable role in imparting the knowledge and skills that enable people to realise their full potential, and that contribute to peace and prosperity of societies.

But the international community and national governments have so far failed to sufficiently recognise and exploit education's considerable power as a catalyst for other development outcomes. This is in part due to insignificant recognition of its vital contribution to progress on the UN Millennium Development Goals (MDGs), leading to it receiving insufficient attention and under-investment over the past decade. Education's power to accelerate the achievement of wider goals therefore needs to be much better recognised in the post-2015 development framework.

Analysis in UNESCO's 2013/4 Education for All Global Monitoring Report sheds new light on education's wider benefits. These include those that relate to education's power to contribute to the current set of MDGs, including reducing poverty, boosting job opportunities, driving economic growth and increasing people's chances of leading a healthy life. Evidence also shows education's contribution to social goals that are increasingly being

recognised as vital elements of the post-2015 framework: deepening democratic institutions, protecting the environment and adapting to climate change, and empowering women.

I outline here just a few of the many examples that the report provides. Starting with the MDG on reducing child mortality, educated mothers are better informed about specific diseases, so they can take measures to prevent them. They can recognise signs of illness early, seek advice and act on it. As a result, if all women had secondary education, child deaths in low- and lower-middle-income countries would be cut by half. Children in these countries would also be more likely to be immunised against preventable diseases if all mothers had a secondary education: immunisation against diphtheria, tetanus and whooping cough increases by 43 per cent under these circumstances.

Goals after 2015 need to pay greater attention to the wellbeing of young children, and this requires mothers to be educated. The evidence is clear: educated mothers are more likely to ensure that their children receive the best nutrients to help them prevent or fight off ill health, know more about appropriate health and hygiene practices, and have more power in the home to make sure children's nutrition needs are met. In low-income countries alone, more than 12 million lives could be saved from malnutrition by making sure all mothers had the chance of a lower-secondary education.

It is widely recognised that the MDGs did not go far enough to promote women's empowerment. Proposed post-2015 goals



promise to rectify this. The High-Level Panel on the Post-2015 Development Agenda report, and the Open Working Group proposals for Sustainable Development Goals – both of which are likely to inform a final set of post-2015 goals – identify ending child marriage by 2030 as one indicator of this. Such a target will not be achieved without education.



© Reuters

Girls and young women who are educated have greater awareness of their rights, and greater confidence and freedom to make decisions that affect their lives, including when to marry and when to have children. Child marriage and early births are particularly prevalent in sub-Saharan Africa and South and West Asia. In these two regions, one in eight girls is married

by the age of 15 and one in seven gives birth by the age of 17. If all girls in these two regions reached secondary school, more than a million would be saved from child marriage, and almost 1.4 million would avoid getting pregnant while they themselves are still children.

Tackling environmental degradation and climate change are likely to feature

▲ Tajik secondary school graduates in Dushanbe celebrate the end of their school days, traditionally called the 'last bell'

more prominently in the post-2015 goals. The link between these and education is currently difficult to disentangle, largely due to insufficient data on relevant issues. The evidence that does exist shows that people



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with more education tend not only to be more concerned about the environment, but also to follow up that concern with action that promotes and supports political decisions that protect the environment.

By improving knowledge, instilling values, fostering beliefs and shifting attitudes, education has considerable power to change environmentally harmful lifestyles and behaviour. Education can encourage people to use energy and water more efficiently and recycle household waste. In poor countries affected by climate change, education helps people adapt to its effects.

Education's role in promoting environmental sustainability has not yet been fully exploited, however. Not enough is known about what types of skills and knowledge are most effective in changing behaviours that can be detrimental to the environment, or how best to include these issues into school curricula. The evidence that does exist appears to support the view that promoting transferable skills in problem-solving through good-quality education and integrating knowledge about

the environment in subjects such as science and geography are likely to be at least as effective as teaching separate subjects on the environment and climate change. But this deserves further exploration.

### Persisting inequalities

More broadly, the evidence presented in the UNESCO report shows that education's unique power to act as a catalyst for wider development goals can only be fully realised if it is equitable. That means making special efforts to ensure that all children and young people – regardless of their family income, where they live, their gender, their ethnicity, or whether they are disabled – can benefit equally from its transformative power.

Unfortunately, despite progress in the first decade of the MDGs in getting more children into school, wide gaps remain: in 2010, poor girls living in rural areas of low- and lower-middle-income countries were only spending three years in school on average, compared with over nine years for rich boys in urban areas in these

▲ Students at the Academy for Peace and Justice in Port-au-Prince. Bankrolled by a roster of Hollywood celebrities, the academy is Haiti's first free secondary school and draws hundreds of children from Port-au-Prince's biggest slums

countries. Part of the reason for these persisting inequalities is a failure to emphasise the need to reach the marginalised in the current set of education and development goals.

The evidence further points to the need for ambitions to be extended beyond those included in the current set of MDGs, namely for all children to complete primary schooling; to unlock the wider benefits of education, all children need the chance to complete lower secondary school. And access to schooling is not enough on its own. Education needs to be of good quality so that children actually learn.

These gaps need to be tackled within a post-2015 framework if the next generation of children are to realise their right to education, and if societies are to be able to exploit the wider benefits that education offers. ●



# UNITE FOR QUALITY EDUCATION

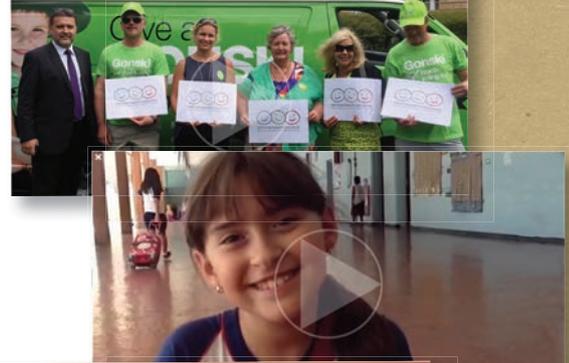
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## Making Goal 16 work

*The new set of Sustainable Development Goals includes a commitment to peaceful and inclusive societies, access to justice, and effective and accountable institutions – how might this be put into practice?*

By **Phil Vernon**, Director of Programmes, International Alert

**T**he UN Millennium Development Goals (MDGs) were too narrow, and they undervalued the political aspects of development in favour of more technical issues. They also failed to recognise that development processes are context-specific, and cannot be defined from a vantage point in New York. Despite their unstrategic nature, in the absence of a clear alternative they became for many the default narrative of what ‘development’ looks like, and acted as a set of perverse incentives.

The proposal by the Open Working Group on Sustainable Development Goals



◀ Officials count ballots in Ghana's 2009 presidential election. Ghana has made steady development progress since the introduction of its constitution and multiparty democracy in 1992 – ranked seventh in the 2013 Ibrahim Index for governance, it is seen by many as the example for other African countries

provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”

But the proposal fails to lay out an overall narrative of what “development” actually means: it reads as an incoherent list of 17 goals and more than 150 subsidiary targets sparkling like as many coloured lights festooning a Christmas tree. This is particularly relevant for Goal 16 because without an overall narrative, the issues it seeks to address appear to have been somewhat marginalised. Surely any student of history would allow that peace, governance, justice and security represent more than one-seventeenth of the story – i.e. deserve more attention than merely being thrown together to make one out of 17 goals?

The OWG also failed to design a system in which the SDGs could provide incentives for positive change, built around carrots and sticks and based on subsidiarity, i.e. the principle that a central authority should have a subsidiary function, doing only what cannot be done effectively at a more local level. Incentives for change are especially important for Goal 16, to encourage powerful incumbents to adopt more inclusive and accountable governance – which might undermine their access to power.

Justice, good governance, security and peace do not lend themselves to short-term goals and targets. The English took seven centuries to progress from Magna Carta, which provided for *habeas corpus* and limited the power of the king in 1215, to universal adult suffrage in 1928. Certainly things are moving faster nowadays, and England's is not the path to follow, but progress on Goal 16 will inevitably be linked to changes in the political economy, which are seldom linear.

Nor is progress on peace, justice, security and good governance made in the abstract, but rather in relation to factors included elsewhere in the SDGs. This provides an important clue as to how to operationalise Goal 16.

With all this in mind, how might Goal 16 be used, and by whom? There are five mutually supportive pathways for this.

### 1. Activists

Reducing violence, promoting the rule of law, combating corruption and bribery, building effective institutions, ensuring responsive and inclusive decision-making, ensuring public access to information, and promoting non-discriminatory laws and policies – these kinds of targets can only be achieved by the efforts of activists in the countries concerned, i.e. people in politics, the civil service, civil society or business who are committed to change. They can:

- use their government's commitment to Goal 16 in public and private advocacy, as a reference against which to monitor and encourage progress;
- ‘domesticate’ Goal 16 by formulating strategies that make sense in the national and local context, and develop locally relevant indicators and milestones against which these can be publicly measured and used for accountability;
- collaborate with and seek support from outsiders: such as peers seeking similar changes in other countries, and international agencies with relevant expertise.

### 2. Businesses and others associated with economic projects

Economic growth is partly achieved through large investment projects that need careful governance if they are to avoid having negative impacts on human security, justice and peace – especially in land- and natural resource-based sectors. So they provide concrete opportunities to enhance governance, security, peace and justice on issues which matter to a diverse range of stakeholders. Businesses, governments and civil society can promote popular participation in planning and execution; ensure benefits are transparently and genuinely shared and reinvested; and

(OWG), created by the UN General Assembly to put forward concrete ideas for the post-2015 development agenda, partly addresses these problems. It is broader than the MDGs, and it accepts that ‘development’ will look different in every context and must be led by the people and countries concerned, within a system of global cooperation and partnerships.

Crucially, the proposed Sustainable Development Goals (SDGs) recognise the importance of peace, good governance, justice and security – critical building blocks of human progress which are glaringly absent from the MDGs – in Goal 16: “Promote peaceful and inclusive societies for sustainable development,

that communities are protected from harm. Given the international nature of many economic sectors, there is an important role for international institutions and initiatives to play here too – for example the UN Global Compact and the Voluntary Principles for Security and Human Rights, whose development was led by the US and UK governments in consultation with NGOs and companies in the extractive and energy sectors.

### 3. International development institutions integrating Goal 16 into their programmes

International development institutions – the international finance institutions, UN agencies, donors and NGOs – will continue to focus the bulk of their efforts on the other 16 goals. But fortunately, initiatives focused on social protection, food security, climate change, health, education, water

▼ A makeshift school at a camp for displaced Chadians who have fled fighting near the Sudanese border. International development institutions need to integrate Goal 16 into their strategic assessments, project designs and evaluation frameworks. This is particularly imperative when operating in fragile states

and sanitation, etc. are linked to Goal 16, and can be implemented in ways which either enhance or diminish peace, security and governance. From the location of a community well, through the management of schools and the elaboration of education curriculums, to national health policies: all need to be well-governed, and designed and implemented with conflict sensitivity and explicit and careful strategies for social inclusion. Thus all ‘development’ actors can integrate Goal 16 into their strategic assessments, project designs and evaluation frameworks.

### 4. International institutions monitoring progress

While most interventions will be initiated and conducted in specific countries and localities, international bodies have a critical role to play by:

- conducting empirical research to measure the changes taking place, comparing these with the published strategies, and publishing the results internationally and nationally so they can be used to hold governments and others

to account, and to adapt strategies where necessary;

- building up an international dataset showing how progress towards peace, justice, security, inclusion and better governance happens – a narrative of change – and sharing this widely.

### 5. Governments, international institutions and other international actors collaborating on supra-national issues

The progress made in international peacekeeping and peacebuilding in the past few decades must continue: the UN, regional blocs and informal groupings of nations must carry on seeking ways to reduce the risk of intra- and inter-state war, to intervene more effectively and earlier to prevent it, and to end it when it occurs. Meanwhile, many of the structural factors enabling violence, corruption, poor governance, etc. are international in nature, and require an international response, often through international institutions and agreements.

International institutions play a particularly important role providing leadership, knowledge and solidarity, and enforcing norms, for example on human trafficking, money laundering, drug and arms trade, and all forms of organised crime; as well as in holding licit businesses to common, high standards of behaviour.

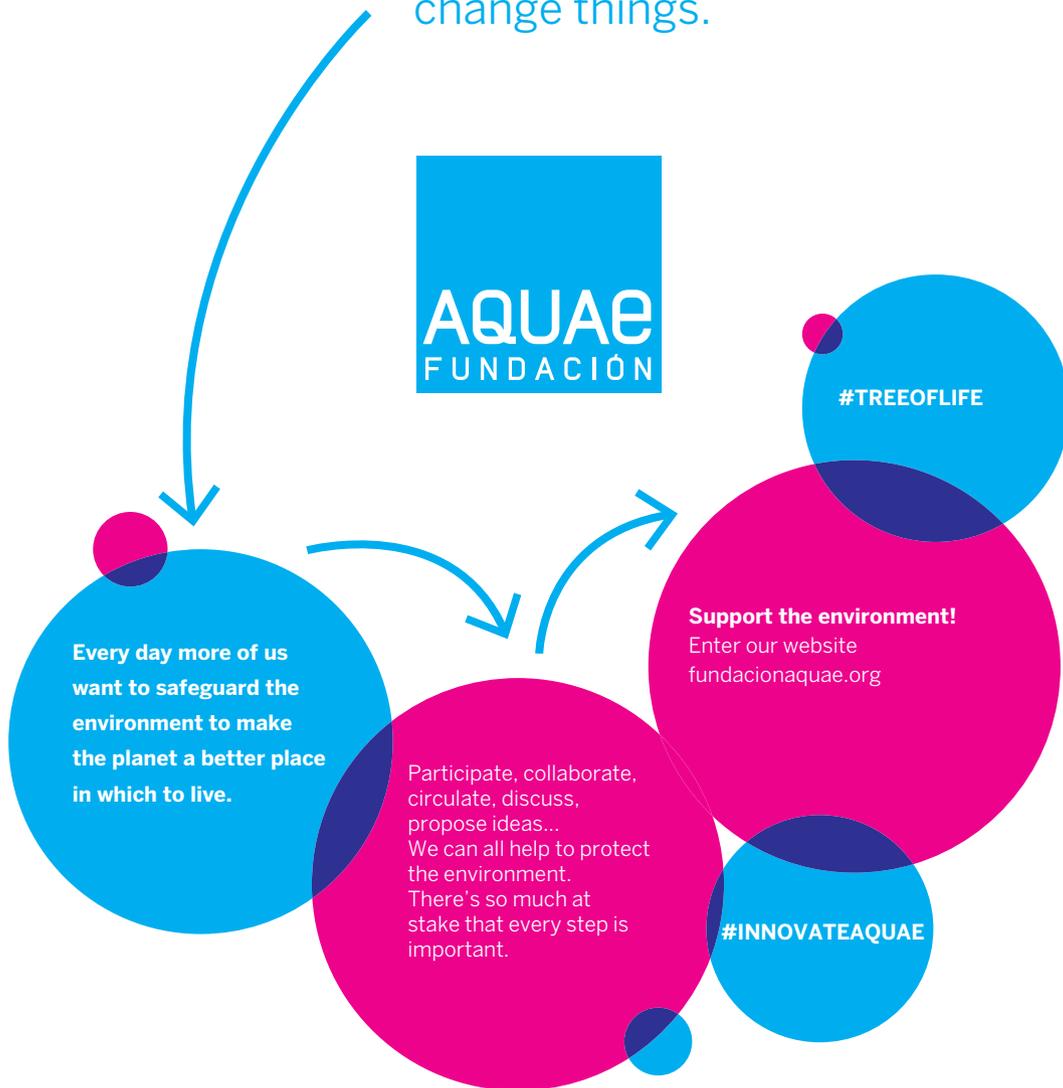
### Conclusion

The proposed SDGs are no substitute for an activist, context-based approach to development. But they represent a marked improvement on the MDGs, not least through the recognition that development is meaningless unless it includes human security, governance, inclusion, justice and peace. So all development activists should aim to integrate these in their initiatives. Fortunately, this is relatively simple, as almost all of the more than 150 proposed sub-goals can be practically linked to Goal 16. Thus, progress on Goal 16 will be achieved not only by specialists in peace, justice, security and governance, but by all development actors, provided they take it seriously into account. ●



# Every action counts

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# ICTs open doors

*The post-2015 agenda must foster smart technology policies for developing countries*

By **Brahima Sanou**, Director,  
Telecommunication Development Bureau,  
International Telecommunication Union

**D**eveloping countries can leap forward in their development pursuits by leveraging information and communication technologies (ICTs). Such technologies have demonstrated capability to facilitate the information flows that are vital for the marketing of goods and services to potential customers that may be thousands of kilometres away,



through the establishment of websites and through telemarketing.

ICTs facilitate business. Transactions can be concluded online without the need to travel or to wait for physical documents to be dispatched and considered, which could take weeks or even months. Millions

▼ A woman undergoes an eye examination using a smartphone at a temporary clinic in the Mau Summit, Kenya. The phone conducts cataract scans, checks the back of the eye for disease and sends data to a doctor for analysis



© Reuters

of people from developing countries are in the diaspora and remit billions of dollars electronically to their home countries that, in turn, are used to sustain their families or invested in both the formal and informal sectors of the economy. That alone opens doors for the integration of marginalised persons and communities into the global economy.

This is made all the more easy by the rapid growth of communications technologies, which has resulted in the fall of prices due to high competition, leading to more access to such services. There are almost seven billion mobile subscriptions worldwide. Developing countries are home to more than three quarters of these mobile-cellular subscriptions. In fact, the highest growth rates in mobile-cellular subscriptions are in developing countries. High growth rates are also being recorded in other areas, such as internet and broadband access.

By the end of 2014, there will be almost three billion internet users, two-thirds of them coming from the developing world, and the number of mobile-broadband

### ***Even the least-developed countries... have jumped on the bandwagon and embraced new technologies in a big way***

subscriptions will reach 2.3 billion globally. Fifty-five per cent of these subscriptions are expected to be in the developing world. Broadband, otherwise known as high-speed internet access, is important for developing countries as users can access the internet and internet-related services at significantly higher speeds than with dial-up connections.

The mobile revolution was barely talked about in 2000, when the UN Millennium Development Goals (MDGs) were adopted. Yet mobile services have contributed since then to the ongoing efforts for countries to attain MDG goals and targets in health, education, poverty alleviation,

and many other areas recognised in the MDGs as being pivotal to the sustainable development of countries.

Current discussions by the international community have shown that the post-2015 development agenda and the achievement of the Sustainable Development Goals (SDGs), to be adopted next year, will, to a great extent, be driven by ICTs.

#### **Innovation for a better future**

Developing countries, riding on the wave of innovation in the area of ICTs, have made giant leaps in gaining competitiveness in the marketplace. This has been achieved through the development of ICT incubators and highly popular ICT applications (or 'apps'), some of which have already been deployed to serve a host of sectors, such as banking, health and disaster management, to name but a few.

The International Telecommunications Union (ITU) – the UN agency dedicated to ICTs – has been running a number of competitions for young people to arouse some interest in the areas of information technology and communications. In December 2014, winners of an ongoing contest to develop apps for disaster alerting will be announced in Doha, Qatar, at the ITU annual TELECOM event. What is most exciting and promising is the emerging trend that boys and girls are competing at the same level.

Further, what makes these developments interesting is the fact that even the least-developed countries – where access to ICTs can be as low as one per cent of the population – have jumped on the bandwagon and embraced new technologies, such as wireless communications, in a big way. This has helped them to leapfrog older technologies and use the latest ones, many of which are low-cost, appropriate and more affordable, even for rural populations. There are numerous cases in many developing countries where simple but effective innovative solutions were applied, built on partnerships established by locals, for locals.

My experience of doing work in developing countries for the past 40 years shows that there is great potential for



© Getty

developing countries becoming exporters of ICT services.

To illustrate this point, let me give a number of real-life examples. In the area of mobile money, Kenya's M-PESA service is one of the best known. Many of the people taking advantage of the service are on incomes too low to qualify for a bank account so they use M-PESA to participate in a banking service.

The idea has taken off in Bangladesh too. There, people used to spend up to four hours travelling to banks and queuing to pay utility bills. By using mobile payment services, they avoid travel, saving time and money. Other countries signing up to mobile money include the Philippines, Afghanistan, Haiti, Tanzania and India. EcoCash is a mobile money service launched in 2011 by Zimbabwean mobile provider Econet Wireless. The service involves banked and unbanked members

of society being offered a range of services from basic person-to-person transfers to enhanced mobile wallet services.

In my view, borders and time zones have become blurred in the area of ICT and software applications development. Developers can be anywhere in the world and still work as teams. When the sun sets in one part of the world, it rises in another part. Parts of software could be produced in Africa, and be completed while Africa sleeps by developers in India or Brazil. This is facilitated by existing communications systems.

Developing countries could stop behaving as individual states. They could partner among themselves to become a force to be reckoned with, particularly in the area of information technology. This is why a high number of software developers are from developing countries and contracted by developed countries.

▲ Vietnamese schoolchildren use a computer at the Tong Chu primary school. In line with the 'Connect Schools - Connect Communities' philosophy, the operator Viettel is providing all Vietnamese schools with free internet access

The revolution already started a decade ago when software and telecommunications engineers in developing countries received recognition for their role in the future growth of the industry.

Governments in developing countries should also be commended for incorporating information technology modules from an early stage in children's studies. ITU has been quite instrumental in rendering support through various initiatives, such as 'Connect Schools - Connect Communities'. Continued innovation by developing countries will no doubt lead to a better future for their populations. ●

# Ireland, leading the world in sustainable agriculture and food



By **Simon Coveney TD**  
Minister for Agriculture, Food,  
the Marine and Defence

To respond effectively to the scale of the challenge agriculture faces in the 21st century, the coming decades must see a relentless focus on technology and innovation, supported by more sophisticated thinking at policy level, and greater cooperation and knowledge-sharing among the world's food producing regions; effectively, a global re-education around food production that puts sustainable growth at its core. Underwriting our capacity to deliver effectively on this will be our ability to understand, and measure, the journey we are on.

Ireland is a small island with a long history of high-quality agriculture production. The evolving prowess of our globally focused food industry, supported by the Irish Government's firm commitment to the sector, as

expressed through Food Harvest 2020, and bolstered by a talented new generation of highly educated graduates, is contributing to what I believe will be a golden decade of opportunity for the Irish food and drink industry.

A key element of the sustainability pillar of the Food Harvest strategy is Origin Green – an innovative national sustainability programme – which is now incorporating measurement processes into our food industry that will ensure producers have the resources, the information and the framework to enhance sustainable practices. In over 60,000 Irish livestock farms, from which the majority of our beef and dairy exports are sourced, comprehensive audits are telling us exactly how each farm is performing across a full spectrum of sustainability measures and helping identify scope for further improvement.

With the abundance of natural resources Ireland possesses – and a common vision driving Government, the private sector and academia – our food industry has the necessary commitment and expertise to deliver on its ambition to continue to be a leader in the drive to produce food and drink products in a sustainable manner.

In setting out such an ambitious goal, I believe Ireland is also making an important contribution to the evolving global conversation around the future of agriculture. ■

## Food Harvest 2020



An initiative by Bord Bia, the Irish Food Board



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# Strengthening water utilities through peer-support partnerships

*Although the goal on water (MDG 7.C) was met five years ahead of target, 700 million are still without drinking water and 2.5 billion lack access to basic sanitation. As the global population becomes more urbanised, a more sophisticated response is required*

By **Dr Faraj El-Awar**,  
Programme Manager, Global Water  
Operators' Partnerships Alliance

**T**he international community welcomed the news that the UN Millennium Development Goal (MDG) to halve, on 1990 levels, the

proportion of people without access to drinking water was successfully reached ahead of the 2015 deadline.

In real terms this means some two billion more people now have access to drinking water and, as one of the first goals to be met, this achievement should not be underestimated.

But while we should celebrate this success, we should not forget the large numbers of people who still lack water and sanitation services, some 700 million and 2.5 billion respectively. We must also remember the backdrop for these numbers – for example, the additional challenges that have arisen since the creation of the



MDG, most notably new global phenomena such as rapid urbanisation and large-scale population displacement. To continue increasing access to water and sanitation services in these changing contexts, now more than ever we must maintain, share and scale-up existing solutions that have been proven over the past 14 years and continue to foster collaborative working between all stakeholders to find common solutions to common problems.

Water operators play a fundamental role in service provision. Eliminating water poverty cannot therefore be achieved without them. Where basic water and sanitation services are still lacking, it is often due to insufficient capacities of operators to fully implement or sustain solutions for the long term. Many of the solutions have already been found and implemented in similar contexts but, without an exchange network, this valuable knowledge and experience is lost. Direct

▲ People gather to draw water from a huge well in Natwarghad, in the Indian state of Gujarat

partnerships between water and sanitation operators is one way of facilitating the transfer of knowledge and helping to share and adapt proven solutions to common issues through a human-centred approach. Helping to accelerate and support the transfer of knowledge and expertise between operational-level actors through structured partnerships is the *raison d'être* of the Global Water Operators' Partnerships Alliance (GWOPA).

Water operators' partnerships (WOPs) are essentially peer-support exchanges between two or more water or sanitation operators, carried out on a not-for-profit basis with the objective of strengthening their capacities. WOPs have existed for many years but were given a boost in 2006 when the UN Secretary-General's Advisory Board on Water and Sanitation took

## Kuala Lumpur, Malaysia and Medan, Indonesia



Medan is Indonesia's fourth-largest city and is served by the Cemara Sewage Treatment plant. This plant was operating at 27 per cent capacity, despite political will to increase sanitation services.

Working with the Asian regional platform for water operators' partnerships (WOPs), WaterLinks, a partnership was established with Indah Water Konsortium in Malaysia and exchange visits were organised. The visiting team from Malaysia found a situation that resembled their own experiences 15 years previously and both parties were able to develop a joint work plan to expand the sewage service.

The objective of this eight-month-long WOP was to increase the number of households connected to Medan's city sewerage system and over 4,000 new connections were established as a result.

Among the many positive results, the increased capacity of the PDAM Tirtanadi water utility team was a substantial achievement. One of the key success factors of this WOP was the fact that the mentor had their own recent experience of extending sewerage connections that was fully applicable to the local situation in Indonesia.

note of their potential and called for the creation of a global mechanism to support them. UN-Habitat responded to the UN Secretary-General's request and created GWOPA to support WOPs' practice by gathering a global network of actors, rallying funds, brokering partnerships and guiding good practice.

Many practitioners say that the greatest value of WOPs lies in their defining

***Many practitioners say that the greatest value of water operators' partnerships lies in their defining qualities***

qualities: they are based on peer support, they are not-for-profit and they strengthen local operator capacity. WOPs capitalise on the wealth of expertise embodied in the collective knowledge of utility professionals that stands to be shared for the benefit of others. Although WOPs are institutional partnerships, they nevertheless have individual facets through which operator



▲ A child leaps across an open sewer in Kisenyi, a slum in Kampala, Uganda

staff connect directly with their peers to help them learn, find solutions and address challenges. The non-profit factor is credited with enabling trust and the free flow of information, characteristics that transform the dynamic and allow for better learning.

Lastly, WOPs are not about delivering emergency solutions. Rather, their emphasis

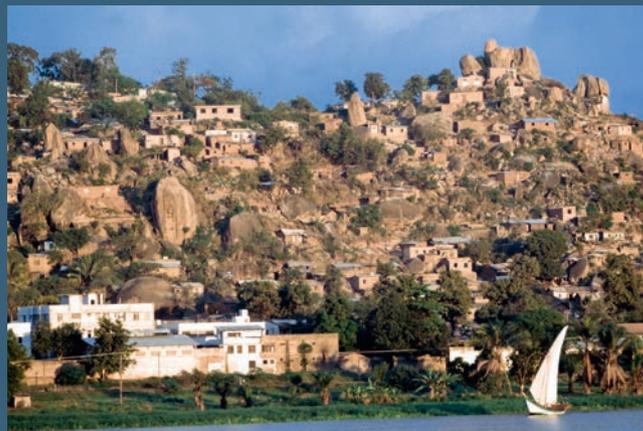
on capacity development helps build resiliency so that local operators can manage current and future challenges as and when they arise. This distinguishing characteristic of WOPs means that the approach is not only effective but also sustainable. ●

## Dunea, Netherlands and Mwanza, Tanzania

Mwanza, like many cities in Tanzania, relies on donor funds to cover water supply and sanitation services. Consequently, many operators are not even able to cover running costs. An estimated 70 per cent of the population live in informal settlements.

Low tariffs and inefficiency mean that providing access was a critical issue for the Mwanza Urban Water and Sewerage Authority.

Their WOP with Dunea in the Netherlands is a four-year project, the overall aim of



which is to secure affordable and sustainable water and waste-water services for the Mwanza urban area.

The WOP entails a number of exchange visits between personnel from Dunea and Mwanza, capacity-building

activities and staff training to help the Tanzanian operator to better address the challenges. The WOP also includes the provision of some materials and services, such as water meters, equipment and billing software, to complement the acquired technical know-how.

As is the case for all WOPs, this exchange is conducted on a fully not-for-profit basis. External evaluation from the European Commission has concluded that progress on this 'twinning' has been good.



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# Thinking global

*A new breed of global partnerships is needed if we are to combat poverty and create a path to sustainable development*

By **Gunilla Carlsson**, former Minister for International Development Cooperation, Sweden; member of the UN High-Level Panel on the Post-2015 Development Agenda

**T**ackling climate change; the degradation of ecosystems; meeting humankind's needs for water, arable land and energy; the fight against terrorism and for justice and freedom: all these problems must be dealt with from a global perspective. At the same time, today's strong, global transformative powers – globalisation of markets, migration, urbanisation and digitalisation – are changing the boundaries for policy-makers. The potential that these global trends have to help solve some of our planet's more pressing issues could be lost unless politicians think and act more globally.

Addressing global challenges does not mean that we should not make efforts and have preparedness at the local and regional level. Every step, every initiative and decision taken locally has an ultimate impact on the global picture, and the more that communities move towards sustainable solutions the better. Building change from the bottom up will accelerate progress, creating innovation and providing lessons in how to tackle global problems locally.

The effects of non-action will harm the most vulnerable individuals in particular, those who are least likely to have access to global markets, assets, justice and security. It will take bold leaders from business, politics, academia, the media and civil society to make a difference. Governments alone will be too weak. Today's global institutions, many of them established in a pre-globalisation era, will not be able to make these changes by themselves, lacking sufficient accountability and strength.

I had the honour to be part of the UN High-Level Panel (HLP) on the Post-2015 Development Agenda. In our work we identified the need for a transformative agenda and the role for so-called global partnerships. The concept is new and needs much discussion and elaboration.

## Partnership at all levels

The thinking came from the notion that global decision-making is not strong enough to focus on the long-term problems and is unable to tap into the opportunities that arise when different actors meet and work together.

Today we have enough knowledge to know that the world has to move

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***Every step, every initiative and decision taken locally has an ultimate impact on the global picture***

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towards a more socially, economically and environmentally sustainable path. We have needs, ideas, expectations and opportunities – and also capital – but to date, despite the global trends outlined above, we have not been able to bring together all these things to find solutions to our planet's problems. In the HLP, we argued that partnerships between different actors on all levels were needed to identify and solve these problems. To achieve this and to create a global move for change, I believe the UN needs to establish a new role.

First, there is a need to approach problems from the perspective of people



rather than from narrow interests of states. Second, we need to be more open about how well the UN is functioning. When the UN promises to deliver on the ground, often through civil society and regional organisations, it is vulnerable to failure. This is due to many factors, such as lack of adequate resources, unclear mandates and inefficient organisation. Certainly the role of coordination, monitoring and evaluation will be more important and relevant in future work.

There is still trust in the unique role the UN has been given. But for it to be better coordinated in the global business



of bringing relief to suffering civilians or investing in health, education and sustainable energy, water and sanitation, the UN has to be much braver in telling the truth, including about its own limitations.

Now, with a new global development agenda underway, the UN and its friends should be able to have a frank discussion about how to coordinate, cooperate and organise in a modern world, and to overcome the bureaucracy and inefficiency that too often hamper the organisation.

How do we define global partnerships? What will be the role for the UN in this

▲ Residents and students plant tree seedlings at the protected rainforest site in Pili, Camarines Sur, south of Manila, as part of a provincial project to plant 12 million trees

regard? Who will identify, monitor and implement them? The answers to these questions will be different in different situations and for different challenges. We will probably see new solutions arising from new trends and a new young generation of decision-makers. It will be up to the UN to make itself relevant and the champion for the concept of global partnerships. The opportunity is now. ●

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Can ordinary people make a difference? 155

# The business case for sustainability

*Why should business put sustainability before profit? Or does conventional business thought need to be challenged?*

By **Anthony Hilton**, Financial Editor,  
London Evening Standard

**T**he traditional view in business is that profit and purpose are at odds with each other – that doing good will cost the company money. It was a surprise, then, to find Bain Capital, a private equity firm very much at the sharp end of business thinking, taking a 50 per cent stake recently in an American shoe retailing company called Toms. What makes this latter business different from the rest of the crowd is that it gives a free pair of shoes to a child in need for every pair it sells. This could hardly be further from the shareholder-value approach to doing business but the model seems to work. Thus far Toms has sold or given away 20 million pairs of shoes.

Encouraged by this success the company has already extended the ‘one for one’ idea into other areas. Thus every pair of sunglasses sold is matched by help to give sight to a person in need and for each bag of coffee beans sold, the company pledges to supply clean water to a household for a week. Every cup of coffee is matched by someone getting water for a day.

Bain’s investment is driven by a belief that for the emerging generation, the key to profit is purpose – an insight which flies in the face of conventional business thinking. It sees in Toms’ success evidence of a fundamental change in consumer behaviour, whereby the buyers wish to do good with their purchases and will pay more than they would otherwise as part of this policy.

In particular, according to surveys, the population cohort known as ‘millennials’ – the coming generation – want their

purchase to have a purpose. No fewer than 72 per cent of them believe they can make a positive environmental and social impact through their purchases – and 51 per cent claim to check the packaging before buying to reassure themselves about the social and environmental issues. But having said that, they show a reluctance to delve into the detail – so any sustainability message from a company needs to be clear, straightforward and easy for consumers to grasp.

If that can be achieved, it does seem to unlock the door to growth in sales. A recent survey quoted in Britain’s *Guardian* newspaper by the marketing company Good.Must.Grow. found that 30 per cent of US consumers plan to increase their purchases towards socially responsible companies in the next year. Meanwhile, only 18 per cent plan to increase charitable giving. A separate Nielsen study confirmed that consumers place a premium value on products from sustainable and socially responsible organisations. Some 55 per cent of global consumers said they were willing to pay more for products from companies that are committed to positive social and environmental impact.

And of course some evidence of this behaviour has been around for years with charity credit cards, where every use of the card triggers a small donation to the charity of choice. If it is painless, customers seem willing to sign up for it. But the company has to be authentic. If a company’s commitment to sustainability or social responsibility is seen simply as a marketing ploy, it will backfire.

A depressing number of executives do not sense this change is afoot. A recent survey of business leaders found a surprising number





who thought it would be okay to pollute if it made a big difference to corporate profitability. If that pollution could be safely out of sight – either underground or in a far-away country – so much the better.

It is an alarming finding when put in black and white, but the options are rarely that stark. The bigger challenge for business comes when the choice is between various shades of grey, or when there is no conscious decision at all, but the business quietly drifts from its whiter-than-white starting place to another, to something ever darker without anyone really noticing.

You might argue that this is the position the banks found themselves in with payment-protection insurance. Somewhere along the line what started as a good product for some customers was turned into an exploitative scam to make money out of all of them.

But it is not just the banks. Any trip to a supermarket confirms how commonplace

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***If a commitment to sustainability is seen simply as a marketing ploy, it will backfire***

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it is for businesses that want to make a bit more money to seek to put up prices in ways the customer might not notice – by changing the size or shape of a chocolate bar, by putting a fraction less in a packet, by using inferior ingredients or components.

Less visibly, but equally dubiously, the supermarket might exploit its suppliers – small businesses which have not got the strength to stand up to it – and unilaterally cut the prices it agreed earlier to pay them. In all these cases there is a line where the acceptable becomes unacceptable – but where is it exactly? And on the basis that what goes round comes around, how long can the company hope to get away with it? The travails of Tesco, the UK supermarket chain, have deep roots.

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◀ A farmer harvesting Fairtrade vanilla during the monsoon in India



© Reuters

The big question in all these cases is whether things would turn out differently if the boards knew what was going on and how the business really made its money.

It is hard to imagine a public company board that would take a conscious decision to make money by treating their customers unfairly, or by exposing its employees to unnecessary danger. But the bigger problem is boards that don't ask the questions because they would not like the answers.

If they want their businesses to survive they are going to have to try harder. In the wake of the financial crisis, the separate upheavals caused by globalisation, the excesses of executive remuneration and the pursuit of shareholder value, companies are faced by a collapse of trust among the voters in the societies in which they operate. If they cannot improve their image they face ever more intrusive regulation and restriction on their operations.

The antipathy cuts across traditional political party lines. In the UK, a recent survey showed a majority of the public would support a political party that promised to get tough on big business –

ranging from 50 per cent of Conservative voters to 72 per cent of Labour supporters.

Companies therefore need public trust if they are to have a long-term future and they are not going to regain that trust unless they can convince the voters that ethics are embedded in their business and govern everything it does. Sustainability is central to this. Boards have to create and maintain sound business values and an ethical corporate culture. This is not about compliance or empty mission statements – it goes to the heart of what a business is and how it works.

A paper published in Britain by the Institute of Business Ethics gives an indication of how companies can go about this. It suggests the board starts with stating its values – typically a good product produced in good working conditions, sold fairly and at a fair price, with fair treatment of all the different stakeholders. But then these values should be tested against the business model so that the directors really and properly understand how the company makes its money – not in some abstract way, but in detail. The theory is that in this way a bank board would have learned that

▲ Graffiti on the wall of a closed Union Carbide factory in the Indian city of Bhopal, which was the site of one of the most devastating cases of corporate negligence in history. More than 3,500 died soon after a toxic leak from the plant in 1984 and at least 15,000 died subsequently

it was not making money by giving loans to small business, but by selling them swaps they did not need, and would have had to do something about it.

And without getting in the hair of the operational management, the board also has to understand the incentives operating in the business and the pressures that might distort the culture – volume-driven sales targets being a case in point. The risk in business is good people who do bad things. The board has to ensure that the pressures are the other way – to help them always to do the right thing.

While there is some mention of this in the emerging Sustainable Development Goals framework – goal 12.6, for instance, calls on companies to adopt sustainable practices and to integrate sustainability information into their reporting cycles – this is one area where much more thought and energy is needed. ●

# Partnership offers healthy start for Lao children's first 1,000 days

A poor diet lacking in nutrition can stunt a child and lead to permanent brain and cognitive incapacity. It can trap children in a lifetime cycle of illness, poverty and inequity. This in turn affects communities. But thanks to a unique partnership between the Laos Ministry of Health, United Nations Children's Fund (UNICEF), mining firm MMG Limited, and Population Services International, Lao children have access to the nutrition they need for healthy bodies and minds.

Poor nutrition contributes to more than a third of child deaths globally. A healthy diet through the first 1,000 days of a child's life, from conception to the age of two, is a critically important foundation for development into adulthood.

High levels of under nutrition remain one of the biggest challenges facing Laos. Around 40 per cent of children under the age of five suffer from malnutrition and stunting and over 60 per cent of children under the age of two suffer from anaemia. This means that without significant

*"By mobilising a variety of partners to take initiatives such as this to communities most in need, we can help change the lives of many thousands of families in Laos and assist in alleviating poverty"*

intervention a whole generation of Lao children will not meet their physical and intellectual potential.

Through a multi-sector partnership, public health professionals, mass civil society organisations, volunteers and pharmacists have been brought together under the 1000 Day Project to distribute four million sachets of nutrition supplements during the next two years to mothers in Savannakhet, Saravan and Attapeu, some of the most remote and disadvantaged regions of Laos. In conjunction, the project is promoting good feeding and hygiene practices for mothers of children aged between six and 59 months.

The nutrition supplements distributed by the project have been branded SuperKid and each sachet contains vitamins, iron, zinc and other nutrients that are mixed into a child's meal daily to prevent anaemia and combat other illnesses caused by malnutrition.

Food and nutrition not only play an important role in human development but also in a nation's progress. Malnutrition in all its forms amounts to an intolerable burden not only on national healthcare systems but the entire cultural, social and economic fabric of nations.

"The development of our country depends on providing children with a healthy start in the most critical stages of life," says Laos Vice Minister of Health, Dr Inlavanh Keobounphanh.

The project is underpinned by a US\$1.4 million, three-year investment by MMG Limited, through its LXML Sepon operation, which has supported the project pilot and implementation.

"At MMG, our belief - we mine for progress - is reinforced through our approach to employees, communities and stakeholder partnerships,"



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says Executive General Manager, Stakeholder Relations, Troy Hey. "The 1000 Day Project is further evidence of this commitment to exploring new partnerships for development."

UNICEF, the Lao Women's Union and the Ministry of Health have offered expertise and facilitated the delivery of the project through local school and health centres, where families with children are also introduced to programmes of healthy cooking and hygiene.

"We hope our targeted nutrition programme will bring generational-scale benefits to Laos," says UNICEF Laos Officer in Charge and Chief of Health and Nutrition, Viorica Berdaga. "By mobilising a variety of partners to take initiatives such as this to communities most in need, we can help change the lives of many thousands of families in Laos and assist in alleviating poverty." ■

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# For the SDGs to gain traction, parliaments will need to do their part

*The SDGs will only have meaning if they are adopted by parliaments at a national level. In turn, this relies on winning over the people and translating the goals to national circumstances*

By **Martin Chungong**, Secretary General, Inter-Parliamentary Union

**A**s a global community, we are at a fork in the road when it comes to sustainable development. If we stay the course, we will end up in a world of deeper inequalities and injustice, the resources on which economies depend will run out, and the temperature of the planet will rise to such a level as to incur incalculable environmental and human costs.

What we need therefore is a new direction, one that will take us towards bold solutions, a new way of thinking about the economy and our relationship with the environment. This will entail a whole new partnership between developed and developing countries, and, perhaps most importantly, a new way of governing that is both more effective at delivering results and more inclusive of all people.

This is the promise of the new Sustainable Development Goals (SDGs) that will be adopted at the United Nations in 2015. Whether it will be kept will depend not only on governments but also on parliaments and their members.

From its unique perch as an observer in the General Assembly, and as the UN's main partner on behalf of the global parliamentary community, the Inter-Parliamentary Union (IPU) has been following closely the inter-governmental negotiations on the SDGs, while also creating opportunities for MPs to make their voices heard. We have been helping parliaments take stock and act upon the current UN Millennium Development Goals (MDGs). From this we have learned

a lot about the role of parliaments in these global agendas at the design and implementation stages.

One thing we have learned is that for any global commitment to gain traction, it must make sense and speak directly to the hearts and minds of the people and their representatives. In that sense, the MDGs were stillborn: there was no broad-ranging prior consultation and, as a result, it took a long time for governments and parliaments to bring those goals to life.

Another problem was that the MDGs were missing many important economic and environmental dimensions, had an air of arbitrariness to them, and applied almost exclusively to the developing countries.

## Reflecting the will of the people

So far at least, this is not the case for the SDGs, for which global consultations

The more debate there is in parliament about the UN-based negotiations the more governments will acknowledge parliaments as partners in this global undertaking. More importantly, it is through those debates that parliaments can try to influence the government's position and make sure that it truly reflects the will of the people, including the most vulnerable and marginalised. The inclusion of parliaments in the process is the best way to ensure that what comes out at the end will be implementable both politically and at the policy level.

While this may be a moot point in countries like the UK, where parliament is well endowed with both resources and legal authority, it is unfortunately not the case in many other parliaments, especially in developing countries. I am also concerned that in many developed countries the SDGs

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## *For any global commitment to gain traction, it must speak directly to the hearts and minds of the people*

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began in earnest more than a year ago. Still, we must not take a good outcome for granted. It will be critical that the SDGs come out strong and that compromise at the negotiating table does not end up diluting their ambitious vision. All parliaments will need to remain actively engaged in the time remaining, which includes a most critical final round of negotiations in the coming months, to make sure that governments report back on their positions at the UN.

continue to be seen as merely a replay of the MDGs: an agenda for countries in dire need. Many political leaders, including those in parliaments, have yet to realise that the SDGs will apply to all countries, developed and developing alike.

As far as the IPU is concerned, the draft SDGs (17 in total) that emerged from a first round of debates in July can still be refined but also contain many important advancements, such as a dedicated goal on inequality, and another goal to "promote



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peaceful and inclusive societies for sustainable development, provide justice for all and build effective, accountable and inclusive institutions at all levels”. This is the so-called ‘governance’ goal that IPU Member Parliaments have been calling for.

#### Targets to ensure participation

While the various targets under the governance goal fail to mention parliaments (in spite of our lobbying at the UN), the goal as currently formulated strikes at the heart of the matter, including through a target “to ensure responsive, inclusive, participatory and representative decision-making at all levels”. If this sort of language is retained in the final agreement,

it would be a formidable achievement for the SDGs as a whole. It would mean the implicit recognition that the advancement of all of the goals of sustainable development will have to go hand in hand with drastic reforms of key institutions, including parliaments, to make sure that all people, including the most vulnerable and marginalised, are included and their concerns reflected in the policy process.

The goal would also speak directly to the concerns expressed by citizens around the world through MyWorld, a global survey conducted by the United Nations, which ranked “honest and responsible government” as a top priority in nearly every country.

▲ President Evo Morales and UN Secretary-General Ban Ki-moon before the G77 + China summit in Bolivia. The G77 has taken a forceful line on “universality” in the face of reluctance or slowness on the part of developed nations to recognise that they too need to adopt the SDGs at a national level

Another lesson from the MDGs experience has to do with the question of accountability. Like the MDGs, the SDGs will be a non-binding commitment lacking a strong global accountability mechanism. Weak accountability from the bottom up is one reason why the MDGs record remains a mixed one. On the one hand, a voluntary regime may allow for more flexibility in the way the goals will be adapted to each

country's circumstances; on the other hand, when it comes to implementation, it may let recalcitrant governments off the hook too easily. Here too parliaments will have a key role to play.

One thing that parliaments need to do to facilitate the implementation of the SDGs is to evaluate their own structures to effectively track progress and make sure that all relevant SDGs are duly mainstreamed through the policy process. The implementation of the SDGs will have to do away with the silo approach that can be found in both branches of governments. This is made all the more urgent by the very nature of sustainable development, which implies the merging together of economic, social and environmental policies into one coherent and cross-cutting approach.

#### A far-sighted approach

Over the years, as we looked at the way the MDGs were being dealt with in a number of parliaments, it has become clear to us that, generally speaking, there was no consistent approach and no clear pathway for parliaments to translate each goal into effective legislation. Some parliaments have gone as far as to establish MDGs committees or caucuses to ensure that the big picture would not be lost, but in actual practice those structures lacked sufficient resources or authority within the legislative and budget process to influence outcomes.

Closely connected to the need for effective oversight and legislative structures in each parliament is the matter of the national planning and budget process. The implementation of the SDGs cannot be left to improvisation by the government of the day but must adhere to a long-term sustainable development plan for the country. The plan must go well beyond the short-term perspective of the electoral cycle and must be truly 'owned' by all stakeholders. It needs to be drawn up through a consultative process that might be led by the executive branch of government but that must have parliament closely involved.

It is at this planning stage that a national conversation must take place as to how the global commitments of the SDGs apply to the country's specific context. This means



▲ Members of the Swedish Parliament listen to Turkey's then President Abdullah Gul. Sweden leads the developed world in its commitment to official development assistance, currently allocating 1% of its gross national income

reformulating the goals that apply in a way that reflects the country's circumstances, and then establishing national targets that are commensurate with the task and that can be adequately monitored afterwards.

Unfortunately, far too many countries either lack a national sustainable development plan or have a plan that is not properly executed. Parliaments must be at the forefront in demanding that such a strong plan be put together with all stakeholders and that it is fit for purpose.

#### A golden opportunity for parliaments

Linked to the national plan is of course the national budget. Will sufficient resources be allocated in the budget to meet the goals set out in the plan? Will the policies and regulations that are embedded in the budget be consistent with the overall direction of the plan? These are some of the key accountability issues to which parliaments will need to pay close attention in the coming SDGs era.

Because the SDGs will not be enforceable at the global level other than through the powers of persuasion and peer pressure, it will be up to parliaments, primarily, at the national level to make sure that commitments are maintained. This in turn will require that we improve the ways in which parliaments work and interact with the people they are elected to represent.

In many countries, it will also require setting aside political squabbling to put the common good ahead of individual interests. While the IPU can help strengthen the capacities of parliaments around the world, which it has been doing for a long time now, this cannot be a substitute for deeper institutional and political reforms to support the SDGs that parliaments themselves must help champion.

Let's all work together so that parliaments everywhere will participate in this historic moment. This is a golden opportunity for parliaments to step up to the challenge and show what they can do to strengthen transparency, accountability and representation as the core elements of democratic governance and as drivers of justice and wellbeing for all. I hope it will not be missed. ●

# Delivering positive results

**Economic development is crucial to poverty alleviation; and the private sector has a key role to play in creating jobs and increasing exports to ensure more people benefit from growing economies**

**T**he Islamic Corporation for the Development of the Private Sector (ICD) is part of the Islamic Development Bank and aims to support economic growth in its 52 member countries through the provision of finance to private sector projects, in accordance with Shariah, or Islamic, law.

Harnessing the power of the private sector in order to fund projects is critical to the development of sustainable economies: which in turn increases incomes, creates jobs and provides goods and services that benefit peoples' lives. This can only happen if finance can trickle down to the bottom of the pyramid, which is why ICD is committed to providing small and medium-sized enterprises (SMEs) with access to Shariah compliant financial products and encouraging the development of Islamic financing in member countries.

By the end of 2013, ICD had funded 267 projects with US\$3 billion of finance, with the finance, agriculture, industry and mining sectors benefiting most from the ICD's work. All projects that request financing are vetted to ensure they comply with ICD's investment guidelines and strategy, ensuring maximum developmental impact.

Most recently, ICD agreed to a joint venture with the Republic of Chad to create a local leasing company and a local Islamic bank. The organisation has also extended a US\$6 million line of finance to Tajikistan's Orienbank and is helping to fund a specialist bank in Bangladesh.

As many of ICD's projects and investments are in the early stages, the success of various projects is ongoing; but its recent establishment of a Monitoring & Evaluation (M&E) department means the agency can now provide timely, credible and reliable information to assess operational performance and track the progress of projects.

The M&E department has started to prepare a set of policy instruments and guidelines based on globally-recognised Good Practice Standards that will include a 'development effectiveness policy' and 'development effectiveness framework' within which projects will operate.

Crucially, a 'Development Indicator Monitoring System' will monitor the development outcomes of all ICD operations.

ICD's strategic vision is to set up 20 Islamic leasing companies over a period of five years and to ensure that all these companies follow the highest standards of corporate governance and best international practice. The leasing sector is an attractive offering for ICD for the following reasons:

- 1. Medium- to long-term finance to increase production and output**  
A medium/long-term financial instrument for SMEs to help them procure productive machinery, equipment, vehicles and/or properties.
- 2. Shariah compliant nature**  
An asset-based leasing with the asset leased (in most situations) being the security for the leasing.
- 3. Good fit for ICD member countries**  
Lack of collateral requirement offers an important advantage in countries without strong business environments, particularly those with weak creditors' rights and collateral laws.
- 4. Profitable opportunity for ICD**  
The current state of market and low level of competition in ICD Member Countries provide a wealth of business opportunities



ICD arranged the term financing for the Mukalla Iron and Steel Co steel plant in Yemen

Current reviews of ICD projects show they delivered positive development results and were performing satisfactorily against their objectives, with several exceeding expectations. Some of the benefits have included increased competition in banking services leading to increased funding for SMEs, successful growth strategies, increases in employment and increased transfer of technology and skills.

More broadly, ICD has recently worked with Thomson Reuters to develop and launch the ICD Islamic Finance Development Indicator, a numerical measure representing the overall health and growth of the Islamic finance industry worldwide.

The indicator allows all relevant information about the different arms of Islamic finance to be quantified and used as an independent and reliable barometer of the health of the Islamic finance industry.

It is vitally important for the work of ICD and for the industry to which it contributes to be monitored to ensure resources are channelled into the right areas and that the outcomes of the ICD's projects are making a difference. ICD will continue working with the private sector: not only to develop projects that help grow economies and aid communities, but also ensure that these projects continue to help the intended beneficiaries through an ongoing commitment to careful monitoring and support. ■



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# Engaging labour: bringing union voices into development policy

*With rising global unemployment and income inequality, unions have a vital democratic role to play*

By **Sharan Burrow**, General Secretary, International Trade Union Confederation

One of the more striking figures you can take away from the period since the UN Millennium Development Goals (MDGs) were adopted in 2000 is the global trend in employment year on year. Indeed, if we were to make a very rudimentary assessment of employment trends, based on International Labour Organization (ILO) figures in 2001 and 2014, we would find that the number of unemployed has grown by around 25 per cent.

No doubt there was a very positive decline in the unemployment rate, down to about 5.5 per cent of the global population, sometime just before the economic crisis took hold in 2008. However, since the crisis, unemployment has spiked to around six per cent and stayed there, with projections suggesting further increases in the years to come (ILO Global Employment Trends 2014).

If this wasn't alarming enough, there is an even more startling trend for inequality, in particular, income or wage inequality. Indeed, the evidence is indisputable that labour's share of national income has been on a steady decline since well before the MDGs came into being, even as productivity gains have been on an uptick (2012-13 ILO Global Wage Report). This has not been limited to developing countries. Evidence shows declines in the majority of OECD countries as well.

For the labour movement, these trends are a natural corollary of the systematic and deliberate efforts to erode labour market institutions – minimum wage, collective

bargaining, employment protections and trade unions, to name a few – to serve the interests of a small but powerful minority.

In spite of these trends, the labour movement continues to mobilise to counteract the prevailing forces that have created the current situation and advocate for a human-rights-based approach to development. That means working to ensure workers and their families have access to a decent life and a decent job in a healthy environment, while securing the needs and ensuring opportunity for future generations.

The issue of globalisation is not simply a tension – national versus international interests – but more so a conflict between minority and majority interests. There is no doubt that globalisation has negatively impacted labour's share of national income across the globe, both as a result of technological diffusion, as well as the intensification of competition on the basis of labour supply.

More interesting, however, is the idea that the hyper financialisation of the global economy has had disturbing effects on wages and employment. This evolution in the global economy has led to the concentration of the majority of the world's wealth in the hands of a small minority, all while contributing little to the 'real' economy. It has also resulted in productivity outpacing wage growth and a significant expansion of capital's share of national income. Consequently, inequality has reached alarming levels and there has been a systematic effort to dismantle those instruments and policies, namely labour market institutions, which contribute to greater equality in societies.

## Protecting workers

There is no shortage of instruments to ensure that workers' rights are protected no matter the context. Workers' rights are not some sort of trade-off that only advanced economies have the capacity to uphold, but instead are fundamental protections that every government has a duty to ensure and protect. Trade unions seek to defend these instruments at all levels, from local and national to international policy debates. Among these are the ILO's Decent Work Agenda, the social protection floor, the social dialogue and the ILO supervisory mechanism.

## Decent work

The Decent Work Agenda provides a useful reference for the understanding of decent work and its components, as well as indicators for the measurement of the progress on its implementation. Full and productive employment and decent work for all are key elements of social and economic development. Through job creation, quality public services and better working conditions, people, communities and countries can lift themselves out of poverty, improve livelihoods, engage in local development and live together in peace. This happens only when work is decent – environmentally sound and productive – provides fair wages, and is underpinned by rights.

Decent work also requires consistent investment in education and training for both the young and adults. Decent work in the arena of international development policy must aim to achieve full employment, provide investment in green job promotion, reduce informal and



◀ Children fill up empty cigarettes manually in a cigarette factory in Bangladesh. Poor working conditions, including exposure to tobacco dust, can cause a range of health problems

– governments, employers and workers’ organisations – is critical for ensuring social cohesion and social peace. There are fundamental requirements or prerequisites that need to be in place for the social dialogue to function effectively, however, including the respect for freedom of association and collective bargaining, independent unions and employers’ organisations and the institutional capacity of governments to support such a process.

The ILO supervisory mechanism is a unique international accountability tool that should be replicated or, at the very least, inform, the national review systems of the international development agenda. In short, the system is in place to ensure and support ILO member states in their efforts to implement and uphold the conventions that they have ratified in law and practice. It includes a permanent multi-stakeholder monitoring function that requires member states to report at regular intervals on the status of different conventions. It also offers technical support to improve the implementation of the commitments made.

Perhaps most importantly, the supervisory mechanism has a ‘complaints’ procedure, which aims to ensure that member states are accountable to the ILO’s Governing Body. The procedure has been used successfully in the past when member states have been unable to uphold their treaty obligations. For example, when Poland, which had ratified two ILO conventions on freedom of association and collective bargaining, suspended the Solidarnosc trade union, led by Lech Walesa, in 1981, a complaint was made under this procedure, which led, ultimately, to the reinstating of Solidarnosc’s legal status.

### **The role of the trade union movement**

The origin and foundation of the trade union movement is to give workers and their families a voice, protect workers’ rights and fulfil a vision for a fair world.

precarious work, ensure a minimum living wage, as well as ensure compliance with international labour rights for all workers, with gender equality at the workplace.

### **Social protection**

The social protection floor is an adaptable policy approach anchored in the fundamental principle of social justice, and in the specific universal right of everyone to social security and to a standard of living adequate for the health and wellbeing of

themselves and their families. Provisions made within the framework of the floor relate to a range of rights listed in the Universal Declaration of Human Rights. The core idea is that no one should live below a nationally defined income level and everyone should at least have access to basic social services.

### **Social dialogue**

The social dialogue, which brings together the ILO’s tripartite constituents



◀ **Protesting students participate in a demonstration in front of the parliament in Sofia, Bulgaria. Corruption, low incomes and high unemployment in the EU's poorest country has led to widespread civil unrest**

## ***Trade unions are crucial in every society and are at the heart of democracy. They help workers organise to defend their rights and to fight abuses***

We continue this struggle in a world where precarious or informal work is increasingly the norm; inequalities threaten the stability of our societies; financial markets reign supreme with inadequate regulation, even less accountability and still even less connection to the real economy; trade is unbalanced; tax justice is far from a reality; and environmental challenges threaten the survival of our communities. Given this context the impetus for the trade union movement to engage in the international development debate is self-evident.

Trade unions are crucial in every society. They ensure that the workers' rights are respected, that they can unite for collective bargaining with their employer and are indispensable for developing social justice in the economic system.

Trade unions are at the heart of democracy. They help workers organise to defend their rights and to fight abuses.

By joining democratic trade unions, workers take part in, and influence, many aspects of the democratic life. Trade unions promote decent work principles, labour standards, human and trade union rights as well as fair industrial and trade relations. They fight for the redistribution of wealth, granting universal access to services, as well as social inclusion and social protection for all.

Trade unions promote the social protection floors to ensure basic income security. This includes advocating various social transfers (in cash or in kind), such as pensions for the elderly and persons with disabilities, child benefits, income support benefits and/or employment guarantees and services for the unemployed and working poor. It also includes working for universal access to essential – and affordable – social services in the areas of health, water and sanitation, education,

food security, housing and others defined according to national priorities.

Finally, trade unions run projects and programmes on national, regional and global levels to help promote their core commitments around the world. These projects include:

- human and trade union rights, and 'democratisation' projects, which focus on collective and social rights, labour standards, the right to organise and collective bargaining, as well as the respect of individual freedom;
- 'equality' projects, which focus on empowering women, eliminating child and forced labour and promoting action to help migrants and young people;
- trade union capacity-building projects, which aim to strengthen trade union organisation, and make sure trade union activities, collective bargaining and social dialogue are really effective and democratic; and
- 'informal economy' projects, which organise women and men in the informal economy so they can claim their rights and improve their working and living conditions.

The post-2015 sustainable development agenda provides an opportunity to frame the future of UN actions on the ground under a new direction – one that delivers equality, social inclusion, decent work and sustainable livelihoods for working people, while protecting our environment. It must begin with the recognition that the economic paradigm governing our societies is unsustainable. This will require ambition from the world's leaders. The new agenda will only be effective if it is relevant for working people and underpinned by a human-rights-based approach. Decent work for all and social protection for all are critical components in this regard, and they must be considered by governments as fundamental steps in building dignity for the world's citizens. ●



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# Can ordinary people shape development outcomes?

*Societies must be more involved in setting the development agenda if it is to become truly inclusive. How can this be achieved?*

By **Mariana Rudge**, Post-2015 Advocacy Adviser, Bond; UK Coordinator, Beyond 2015

**A**s world leaders gather to define the shape of development for the next 15 years, citizens from around the world have a unique opportunity to influence the outcome of negotiations around the next generation of Sustainable Development Goals (SDGs) to succeed the UN Millennium Development Goals (MDGs).

Despite their great success in reducing poverty, the MDGs fell short on inclusion. The goals were defined in the corridors of

the UN by diplomats, far away from the reality of poor people's lives, and citizens were not included in the monitoring and implementation of the goals. But people have the ability to shape the policies that affect them. They want to have a say in their future and should be given the opportunity to do so. It is, therefore, encouraging to see the effort made by the UN system to ensure that the process

is different this time. It launched the broadest consultative process ever, with consultations in over 100 countries and a wide-reaching online conversation.

However, while admirable, a commitment to consultation can be perceived as superficial and limited engagement if it is not coupled with initiatives to reach the poorest and most marginalised. Civil society, UN agencies

▲ A Yemeni Akhdam family in their hut in a slum area near Sana'a. The Akhdam are similar to hereditary castes and are at the bottom of Yemen's social ladder. Civil society organisations have the responsibility to ensure that the voices of the poorest and most vulnerable can be heard

and decision-makers all have a role in maximising the opportunities to ensure citizens really have a chance to influence the decisions that will affect their lives.

### Why is people's participation so critical?

Poverty is a multidimensional phenomenon that goes far beyond income. It prevents individuals from realising their full potential and having the ability to influence the decisions that affect their lives. If the post-2015 framework is to eradicate extreme poverty, its architects and implementors must listen to the individuals and communities directly affected by those deprivations and look for solutions that will solve the problems they face every day.

According to Participate, a participatory research initiative that heard the priorities of the poorest and most marginalised groups in over 100 countries, people want to be able to present the issues that matter to them and contribute to their own development. They want institutions that respond to the needs and interests of those living in poverty; institutions that are accountable, responsive and effective.

For development to be sustainable, participation should be built into the heart of development processes. The inclusion of the most marginalised can help to identify priority issues and is instrumental in addressing inequalities and power dynamics, ultimately contributing to the development of more effective policies and programmes.

Informed and aware individuals are key to holding governments to account and will be essential in monitoring progress of the new SDGs. Access, participation, transparency and accountability are key values of good governance and should be embedded in the post-2015 agenda, from the design of the framework and throughout the implementation, monitoring and evaluation stages.

### Key barriers to meaningful participation

Ordinary people face a number of barriers to influencing the ongoing post-2015 negotiations. Firstly, the process can be extremely complex to understand,

with confusing stages of international negotiations. Secondly, the negotiations are happening within the UN system, which is difficult to access and can feel quite exclusive, making it hard for people to engage with it. This makes the participation of many civil society organisations more difficult – particularly those from the global South, who have limited funding, do not speak mainstream UN languages and have less access to information.

It is encouraging that some of the meetings within the post-2015 process can be watched online and that some documents are shared in advance. The UN should continue to increase transparency and to disseminate as much information as possible. But this information does not mean much if it is not timely and available in different languages, and if there is no associated funding for people to attend relevant meetings.

According to a recent report by Civicus: World Alliance for Citizen Participation, civil society organisations are dissatisfied with the ways in which international governance institutions, including the UN, engage with them. Consultations with civil society are considered to be largely superficial. Civicus claims that there is dissatisfaction with a 'double democratic deficit': national-level democracy that is dominated by elites, and an international governance system that is accessible to a select few, with few opportunities to address citizens' concerns.

Among Civicus's recommendations for more open and transparent institutions is the suggestion to look for radical new forms of representation and accountability, including citizens' panels and assemblies. Resources should be earmarked for enabling broader participation and accreditation procedures should be simplified.

Citizens need to be able to access diverse channels for engagement, and those different mechanisms should reach the widest possible number of voices, particularly those of the poorest and most marginalised. Initiatives that seek to hear the priorities of people need to look beyond the usual suspects and adopt more

decentralised outreach at the local, national and regional levels.

### Including more voices

Exciting digital, social networking and mobile technologies have emerged in the past few decades, and the development community has taken advantage of these to find new ways to facilitate citizen engagement. These technologies have also enabled citizens to collect live data and share their concerns with millions of people, holding governments to account and using public pressure to demand better development outcomes.

In Brazil, a 13-year-old student created a Facebook page to denounce problems in her school and mobilise her community to improve the school's infrastructure. Her 'Classroom Diary' page has more than 600,000 likes, raising questions about the public education system across in Brazil, and has helped her secure a meeting with the Education Ministry. Her approach was followed by thousands of students who are now using social media to demand their right to education.

Other initiatives, such as Making All Voices Count, support innovation and help harness new technologies to encourage citizen engagement and government accountability. Last year its Global Innovation Competition analysed over 200 creative ideas to increase democratic governance and accountability worldwide.

The shortlisted projects included a mobile app to monitor attendance by teachers and students at schools in Pakistan, with the aim of motivating citizens to collect, analyse and disseminate service delivery data to drive performance and help effective decision-making. The initiative will now be extended into other policy areas, including health and agriculture.

In the post-2015 arena, one of the innovative ways in which people can have a say about their priorities is through the UN's My World survey, one of the largest global surveys ever carried out and which has already reached over two million votes from all over the globe. The survey is



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available online and on mobile phones, but traditional methods have not been forgotten and the highest number of votes has come from written forms.

While technology can be an extraordinary tool to gather real-time data, disseminate information and enable outreach to new audiences, it is also true that it may not be available to the most marginalised.

It is essential, therefore, that innovative ideas are coupled with more traditional outreach methods that target the hardest to reach, avoiding the unintended consequence of empowering certain citizens while further marginalising others.

### Enabling participation

Civil society is a key vehicle through which citizens can get organised and advocate for their views. It can play an important intermediary role between negotiations that happen at intergovernmental level and the individuals who will be most affected by the decisions taken by their official representatives. Civil society organisations (CSOs) thus have the responsibility to ensure that the voices of the poorest and most vulnerable, who they seek to represent, can be heard.

▲ Hazara students gather at Ummat Public School in Quetta, Pakistan. An innovative mobile app to monitor school attendance in Pakistan, to engage citizens in performance improvement, will now be deployed in health and agriculture

Many civil society organisations have been engaging with the process to define a new post-2015 framework, trying to influence decision-makers and UN officials involved in the conversations. However, often it is the larger, better-resourced organisations that can attend international meetings and speak at relevant events.

Organisations have different motivations and capacity to engage, but they should all take responsibility to democratise the process and use their knowledge and expertise to bridge the gap between the UN corridors and people living in poverty.

CSOs can help increase the transparency of the process by providing and translating information, equipping citizens to hold governments to account for their international decisions.

According to Civicus, if CSOs fail to enact this connection to real citizens and their priorities, their legitimacy may be questioned. They may also be seen to reinforce an exclusive process, in which they act as gatekeepers, undermining the chances for people to genuinely

engage with the negotiations. CSOs should therefore strive to ensure their participation and inclusion values are applied to their actions as well.

Beyond 2015, a global civil society campaign pushing for an ambitious post-2015 framework, is working to bring the voices of organisations, from small community-based to international NGOs in over 100 countries, to the negotiating table at the UN. The campaign is also establishing national hubs in several countries, improving coordination and facilitating engagement so organisations can put pressure on and hold to account their governments at the national level.

Bond represents Beyond 2015 in the UK, hosting a platform for UK organisations interested in influencing this process. We disseminate information, work together on collective priorities and create opportunities for CSOs to engage with key decision-makers.

Working with partners internationally, Bond will be part of a new campaign to engage citizens and raise awareness of this key process to define the future of development post-2015: action/2015. This will be an exciting opportunity for organisations and citizens across the globe to put further pressure on governments as to the path they will define for our people and planet. The post-2015 process offers a great opportunity for ordinary people to have a say on the world they want to see in the next 15 years. The challenge in any intergovernmental negotiation, which involves myriad different interests, is to find genuine spaces to promote greater democratic engagement and people participation.

Organisations such as Bond and Beyond 2015 are trying to do just that by creating platforms through which CSOs can influence the post-2015 agenda and raising awareness of current debates with citizens, academics, CSOs and decision-makers.

We hope the UN will also continue to favour a consultative approach and provide timely information and resources to enable people to play an active role in this crucial process: delivering an ambitious set of SDGs. ●

# Goals for the future – challenges for the UK and the rest of Europe

*The universal nature of the Sustainable Development Goals demands a major shift in thinking among developed nations. An end to the 'us and them' mindset will hopefully lead to greater understanding and new forms of cooperation*

By **Sir Richard Jolly**, Honorary Professor and Research Associate, Institute of Development Studies, University of Sussex

**T**he UN is into the last 12 months of the extended process of formulating goals to follow the Millennium Development Goals (MDGs). Many groups have been conferring on the issues – the High-Level Panel on the Post-2015 Development Agenda, experts, NGOs and a variety of groups inside and outside the UN – meeting nationally, regionally and internationally.

In August 2014, the Open Working Group (OWG) mandated by the 2012 UN Conference on Sustainable Development (Rio+20) issued its report. In September, the next round of UN-based discussions on the new Sustainable Development Goals (SDGs) will begin. It is expected to use the OWG report to produce proposals which combine sustainability with development targets, probably for 2030 and intermediate periods.

Some commentators think this is all too much, overkill in trying to formulate further goals and excessive bureaucracy as a process of consulting about them. I strongly disagree. If the goals are intended to serve most of the world, an extended process of consultation about them is required. Moreover, the goals themselves are of major importance.

The MDGs were far from perfect, but in human and historical terms, they represented a gigantic step forward. For the first time ever, a specific set of targets for poverty reduction and other human advances had been agreed by virtually all countries of the world and were made a serious focus for policy and action by many states, all the UN agencies and most international donors. All this was monitored and kept in the news. The UN Secretary-General issued annual reports on progress, which were followed and used by governments and many NGOs to maintain momentum and political pressure.

To many of us working in development, the MDGs represented an enlargement of, and in many ways, an alternative to, the narrow and single-minded focus on economic growth as the essence of development in poorer countries. For those pre-occupied with results, one must emphasise that considerable progress has been made towards many of the MDGs. Some of the goals have been met on a global basis – such as those on slum dwellers and on access to drinking water – and, more significantly, by many individual countries. All regions have made progress towards the goals on reducing child mortality, achieving gender equality in primary and secondary education and controlling tuberculosis and other infectious diseases.

There have, of course, been criticisms of the MDGs, by governments, NGOs and by experts and academics. One of the more fundamental points is that the MDGs were conceived as goals for global progress, not focused by regions or countries. Notwithstanding this, many countries have applied them nationally, sometimes as the goals stood, sometimes with adaptations to their own situations.

A more serious criticism is that halving extreme poverty – the focus of the first and, for many, the central goal – was defined and measured in terms of the number of persons with estimated income under US\$1.25 a day. For the majority of people living in poverty in poorer countries, this money metric is a highly artificial construct, of little meaning to subsistence farmers or those working in the informal sector, let alone to children, who were usually calculated as two-thirds of an adult.

The inadequacies of this measure have recently been shown by the World Bank's recalculation of gross national product (GNP) based on purchasing power parity (PPP). PPP measures are devised in order to compare living standards between

► A Roma couple next to the debris of their neighbours' demolished shack in the shanty town settlement of 'El Gallinero' near Madrid, Spain. The several hundred residents live without running water or sewage services



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countries. Many basic goods in, say, India, Kenya or other developing countries can be bought at much lower prices than in the United States. For realistic international comparisons, GNP must therefore be adjusted to take account of these price differences; these are called purchasing power parity estimates of GNP.

Though most experts agree that the 2013 GNP (PPP) estimates are technically better than the 2006 ones, which had been used to estimate the number of people living in poverty, the statistical implication has been a sudden drop in those numbers of up to 600 million.

To avoid this result, the World Bank has been discussing internally whether and how to raise the extreme poverty threshold from \$1.25 a day to some higher figure. The threshold was previously raised from \$1 to \$1.25 in 2008. A higher threshold, say, \$1.68 or \$1.70, would imply a modest continuation in the reduction of poverty, a more acceptable result. A figure of \$1.75 would show no change. But surely our analysis of progress towards poverty reduction worldwide should not rest on the decisions of World Bank officials alone.

Are there alternatives? Yes. One is to judge poverty in each country using national estimates set by a national definition of poverty in terms of income, and national estimates of the proportion of people below this standard. The Human Development Report (HDR), produced annually by the UN Development Programme (UNDP), published such estimates for some 75 countries in 2014. The difficulty with national estimates, however, is how to achieve international comparability.

A second option, used in many developed countries, is to define poverty as those with incomes below 60 per cent of median income. A third option, much favoured by many in the UN, is to replace an income measure by a 'multidimensional poverty' measure (MPI). UNDP's HDR 2014 provides this measure for 91 countries. The MPI captures the multiple deprivations that people experience in their education, health and living standards. It considers both the

number (the headcount) of people in non-income poverty and its intensity, judged by the number of deprivations people experience at the same time.

### Implications for European states

The MDGs applied to developing countries. One of the major differences promised by the SDGs, at least in the latest draft produced by the OWG, is that they should apply to all countries. This is an obvious need for all who recognise sustainability as a universal priority. Donor countries like Britain and most other European states will still need to support poorer countries in accelerating action towards the goals.

In the case of the MDGs, Goal 8, which was intended to capture this need, was the only one that was not quantified and for which no target date was given. It would be desirable for this deficiency to be remedied with the SDGs. Indeed, the UK could now join with the small group of countries

measurements for poverty reduction that are surprisingly different from those used 'at home' and which are the topic of much political debate.

The adoption of universal goals for poverty reduction – albeit with countries formulating their own definitions of poverty – would therefore be an important step forward. It would introduce an element of realism in poverty reduction strategy and measurement and would open the door for replacing lecturing others with a new understanding of shared problems and a new spirit of learning from the experience of other countries, poorer and richer.

Universal goals could therefore mark a new beginning for international cooperation, no longer 'us and them', but 'all of us together' in facing common problems (albeit at different intensities and urgencies). It would underscore the need for local, national, regional and international actions to deal with these

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## *Universal goals could mark a new beginning for international cooperation, no longer 'us and them', but 'all of us together' in facing common problems*

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which have met the long-standing 0.7 per cent target for aid as a share of GNP (Sweden, Norway, Denmark, the Netherlands and Luxembourg) in pressing for a quantified goal.

There are more important challenges in adopting universal goals. What are the implications for Britain and the rest of Europe of adopting universal goals for reducing poverty and totally eradicating its severest forms?

Until now, it has been generally assumed in the UK that most UN goals apply to other countries – not to ourselves! Many in development studies, and in charities such as Oxfam and UNA-UK, have long objected to this paternalism, often deep in the mind-set of aid. One unfortunate result has been that the MDGs have adopted goals, strategies and

problems. And it would open the door for greater international understanding and, possibly, a wider set of alliances in seeking and negotiating solutions to challenges across the board.

We should not underestimate the changes this would entail and the difficulties that would need to be overcome. But the global economic and political landscape is already changing rapidly, with the rise of China, Brazil, India, Indonesia and South Africa, and of the global South more generally.

Now is the time for the UK and other major powers of the last century to recognise these changes and to use their influence at the UN to steer and embrace more inclusive goals for justice, rights, development and stability for the 21st century. ●

## SUSTAINABLE DEVELOPMENT GOALS

At the 2012 UN Conference on Sustainable Development (Rio+20), UN Member States agreed to establish an Open Working Group to develop a set of sustainable development goals that would build on the Millennium Development Goals and converge with the UN development agenda beyond 2015. The Group has put forward 17 draft goals, accompanied by nearly ten times as many targets. They will be synthesised by the UN Secretary-General, whose report will form the basis for state negotiations next year. The final set of goals is due to be adopted in September 2015.

### GOAL 1

End poverty in all its forms everywhere

### GOAL 2

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

### GOAL 3

Ensure healthy lives and promote well-being for all at all ages

### GOAL 4

Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

### GOAL 5

Achieve gender equality and empower all women and girls

### GOAL 6

Ensure availability and sustainable management of water and sanitation for all

### GOAL 7

Ensure access to affordable, reliable, sustainable and modern energy for all

### GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

### GOAL 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

### GOAL 10

Reduce inequality within and among countries

### GOAL 11

Make cities and human settlements inclusive, safe, resilient and sustainable

### GOAL 12

Ensure sustainable consumption and production patterns

### GOAL 13

Take urgent action to combat climate change and its impacts\*

### GOAL 14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

### GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

### GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

### GOAL 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development

\*Acknowledging that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change.

# Glossary

## Aid for Trade

Refers to assisting developing countries in improving their ability to trade and to benefit from the multilateral trade regime.

## Common but differentiated responsibilities

Contained in the UNFCCC, the principle acknowledges that all states have a common and shared responsibility to protect the environment, but recognises that due to their differing contributions to environmental degradation and their particular circumstances, their responsibilities in this regard also vary.

## g7+

A voluntary association of countries that have been affected by conflict and are now witnessing development. Their objective is to share best practices for ending conflict and poverty, and to improve the way the international community engages in conflict-affected areas.

## Gini coefficient

A commonly used index for measuring income inequality. It evaluates the income distribution in families in a country. It varies between 0 and 1, representing complete equality and inequality respectively.

## Global Compact

A UN initiative, which calls on businesses to adopt 10 voluntary principles in the areas of human rights, labour, environment and anti-corruption to guide their operations.

## Green growth

A form of sustainable development. It refers to achieving economic development while also protecting the environment.

## High-Level Panel of Eminent Persons on the Post-2015 Development Agenda

The Panel was set up in 2012 by the UN Secretary-General. Released in May 2013, its report

contained recommendations on what should succeed the Millennium Development Goals, which are due to expire in 2015.

## IPCC

Established in 1988, the Intergovernmental Panel on Climate Change (IPCC) is a scientific body under the auspices of the UN that reviews and assesses the most recent scientific, technical and socio-economic information produced worldwide on climate change.

## LDCs

The UN classifies least developed countries (LDCs) on the basis of three criteria: low-income, human assets and economic vulnerability. Examples of LDCs include Haiti, Senegal and Togo.

## LLDCs

Landlocked developing countries (LLDCs) are those countries which do not have access to the sea. Many LLDCs are also classified as least developed countries. Examples of LLDCs include Burundi, Chad and Rwanda.

## Millennium Declaration

Adopted by UN Member States at the Millennium Summit. It sets out proposals for development, human rights, security and environment priorities for the international community. The Declaration was the basis for formulating the Millennium Development Goals.

## Millennium Development Goals (MDGs)

Eight international goals aimed at eliminating global poverty and inequality. All UN Member States have agreed to try to achieve them by 2015.

## Millennium Summit

The Millennium Summit was held between 6-8 September 2000. At the meeting, UN Member States reaffirmed their faith in the organisation and adopted the Millennium Declaration.

## Monterrey Consensus

Reached at the International Conference on Financing for Development in Monterrey in 2002. It lists six priority areas for financing, including external debt and international trade.

## 1992 Rio Summit

Refers to the UN Conference on Environment and Development, held in Rio de Janeiro in 1992 to discuss issues such as poverty, inequality and environment.

## Rights-based approach to development

Views respect for human rights as essential for development and addressing discrimination. This approach is premised on empowering the people whose rights have been violated and making the governments accountable to them.

## Rio+20

Rio+20 (also referred to as Rio 2012 or the Earth Summit 2012) is the UN Conference on Sustainable Development held in Rio de Janeiro in 2012. It was held 20 years after the first Rio Summit.

## SIDS

The Small Island Developing States (SIDS) were identified at the 1992 Rio Summit. They usually have small markets and battle with high transportation and infrastructure costs. Examples of SIDS include Fiji, Jamaica and Seychelles.

## South-South

Refers to cooperation and collaboration amongst developing countries. These can be by way of trade, technology, scientific expertise and so on.

## Sustainable Development Goals (SDGs)

An outcome of the Rio+20 Summit, at which UN Member States agreed to work towards an international framework to help countries better target and monitor progress on social, environmental and economic development.

## Sustainable Development Goals Working Group

Also referred to as the SDG Working Group or the Open Working Group on Sustainable Development Goals, an outcome of the Rio+20 process. It refers to a 30-member group set up in 2013 to formulate SDGs. The Group produced an Outcome Document in July 2014 containing 17 draft SDGs.

## Triangular cooperation

A model for providing international development assistance involving two donors and one beneficiary. The donors usually are a traditional donor country from the Development Assistance Committee of the Organisation for Economic Co-operation and Development, and an emerging country. The beneficiary is a developing country.

## UNFCCC

The UN Framework Convention on Climate Change (UNFCCC) is a treaty that arose from the 1992 Rio Summit. It serves as a mechanism for states to consider action on limiting global temperature increases and addressing the impacts of climate change. It produced the Kyoto Protocol, which legally binds developed countries to emission reduction targets.

## UN Sustainable Development Solutions Network

Launched by the UN Secretary-General in 2012. 12 thematic groups are a part of this network, which includes academics, practitioners and experts.

## Washington Consensus

The term 'Washington Consensus' was formulated in 1989 by economist John Williamson. It refers to 10 policy outcomes, such as tax reform and trade liberalisation, which were promoted at the time by Washington-based financial institutions (such as the International Monetary Fund) and the US government.

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# About us

*The United Nations Association - UK (UNA-UK) is the UK's leading source of independent analysis on the UN and a vibrant grassroots movement campaigning for a safer, fairer and more sustainable world*

In 1945, the creation of the UN offered war-weary publics hope for a better future. Since then, UNA-UK has enabled ordinary people to engage with that promise, by connecting people from all walks of life to the UN and influencing decision-makers to support its goals.

Today, the need for the UN has never been greater. Thanks to initiatives like the Millennium Development Goals, millions of people now live longer, healthier lives. But many have been left behind. Far too many people still die each year from violence, disasters and deprivation. In some countries, low birth rates and ageing populations have governments worried about pensions and elder care. In others, children are being born into terrible conditions.

Human rights violations persist in all corners of the globe. Humanitarian emergencies are set to increase while a robust response to climate change continues to elude us. And despite the tragic lessons of the past, the ongoing crises in Syria, Iraq, the Central African Republic and elsewhere are a grim reminder that we have still not managed to make a reality of the words "never again".

These problems are not confined to one country. Nor can they be tackled in isolation. As governments shy away from acting in the global interest, the UN is the only organisation with the reach, remit and legitimacy to forge solutions.

UNA-UK serves as a bridge between governments, the UN and the public. We lobby for joined-up thinking and action on peace, development and human rights. We work with experts and practitioners to find new ways to tackle the challenges we face. Through education, training and volunteering, we equip young people to play a role in international affairs. And by demonstrating why the UN matters, we encourage people to act on their responsibilities as global citizens.

Our members and supporters multiply these efforts at the local level, and our sister UNAs around the world do so internationally. Together, we form a critical mass of support for a strong, credible and effective United Nations. ●

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