

ECOSOC Dialogue on the longer-term positioning of the United Nations development system

Civil Society Hearing

Tuesday, 28 April 2015, 3:00 pm – 6:00 pm

Panel 1: What are the key functions, funding, governance and organizational arrangements issues? How can the UN development system and Member States address these issues?

Talking notes by Roberto Bissio, executive director of Instituto del Tercer Mundo and coordinator of Social Watch

Madame Vice-President, Member States representatives and civil society colleagues.

Thanks for this invitation to speak here on behalf of Social Watch¹, to contribute to this important discussion.

The UN is the only international organization with the legitimacy, mandate and universal membership to ensure appropriate implementation of a transformative sustainable development agenda. The substance of this agenda is already defined in the Sustainable Development Goals and it encompasses the current focus on poverty eradication, as spelled out in the MDGs, but substantially widens the horizon to include deep transformations towards sustainable production and consumption patterns in the richest countries and a reduction of inequalities within and among countries, starting with universal social protection, access to health, education, water, sanitation, modern energy and information, all of which are already accepted human rights.

In a paper recently published titled “Goals for the Rich” the Civil Society Reflection Group on Sustainable Development², of which Social Watch is part, spelled out how the principle of common but differentiated responsibilities is the necessary link between the universality of the agenda and the reality of a high asymmetries among countries in terms of their financial and technological capabilities, as well as in terms of their responsibility in reaching (and overpassing) the planetary boundaries defined by science.

1 Social Watch is an international network of citizen groups in 80 countries that hold their governments, the UN system and international organizations accountable for the fulfilment of their commitments to eradicate poverty and achieve gender justice within the planetary boundaries. See www.socialwatch.org

2 See www.reflectiongroup.org

International cooperation towards the full realization of those rights is mandated by the International Covenant on Economic, Social and Cultural Rights, the Declaration on the Right to Development and the Convention that created the OECD.

International cooperation means more than Official Development Assistance (ODA), even when meeting the 0.7 promise and benchmark formulated four decades ago should be a tangible expression of the good faith and good will required to engage in more substantial cooperation in all areas.

In considering ODA as a funding source for the UN we need to keep in mind the enormous difference between chore support, that is contributions to the budget of the UN and its agencies, from extra-budgetary funds, that allow donors to pick and choose, in a way that can create a tension with the programs for which the budget is approved. Twenty years ago, during the cycle of UN conferences, the relation was of 20% of extra-budgetary funds to 80% of chore funds. Now the relation has inverted and we have 80% of extra-budgetary funds against 20% of budget funds. This is clearly a problem as it undermines the very credibility of the decision-making processes that come out with agendas that then are redrawn by the fund allocations. Donor countries are already promoting “budget support” as preferable to project support in their country programs. They should consider shifting their UN support in a similar way, so that extra-budgetary funding should be capped gradually in the coming years to perhaps 25% of the total expenses.

Similarly, “partnerships” with private philanthropy or big business should not be seen as a substitute for official funds for the implementation of the UN agenda. While, it is important to entice foundations to spend better and according to UN priorities, the Global Partnership for Development as established since Monterrey is between governments and it is therefore accountable to us citizens.

In this regard private-public partnerships or PPPs should be understood, as the OECD does, as a procurement mechanism and not as an additional funding resource. PPPs that are being promoted as a mechanism to fund infrastructure, are a “buy now pay later” mechanism that transfers the burden to future governments and future users. It can be useful but also very dangerous, as it can produce hidden indebtedness and extra-budgetary overspending. It is not a substitute for ODA and not even a complement.

As a starting point of the implementation of a new development agenda that is universal and transformational, the principle of “do no harm” should be understood and enforced. In a globalized world, “do not harm” translates in the economy as an end to the “beggar thy neighbor” policies, be those competitive devaluations or competitive under taxation. Such practices only achieve, if at all, short-term benefits for one party at the expense of the others, resulting in impoverishment of the whole. Those practices are the contrary of fair competition. A fair trading system cannot coexist with those practices, which is why the World Trade Organization has anti-dumping clauses.

But transboundary harm also includes illicit financial flows, which in case of Africa amount to twice the volume of ODA, as shown in the recent Mbeki report.

To limit that kind of harm, the UN should start a process on tax cooperation, binding human rights obligations for transnational corporations (responsible for more than half of the illicit flows out of Africa) and financial regulation, starting with a framework to renegotiate unpayable sovereign debts.

Further transboundary harm can result from trespassing planetary boundaries, for example via greenhouse gas emissions, overfishing, loss of biodiversity, acidification of the oceans and excessive nitrogen in soils. Through the UNFCCC the United Nations is providing the framework to deal with the first of those threats, which we hope will lead to a landmark agreement this December in Paris. Similar work needs to gain momentum on the others.

Finally, we need rules governing the mobility of people, a framework to spread knowledge and technology and mechanisms to tackle infectious diseases. All of them are implicit or explicit in the SDGs. Who else but the UN can produce them?

These important tasks are already implicit in the agreed conventions and agendas and will be spelled out further in the coming months. Knowing that this is where the UN is heading, as mandated by governments, implies to seriously think as the title of this panel suggests, on the different roles of the different parts of the system.

Member states play a major -or perhaps THE major- role, undoubtedly, but the UN system needs to assist them in that role by providing an adequate accountability framework, without which other competing priorities risk capturing the attention and political will of our leaders at national level.

But most of the problems and challenges I listed above cannot be addressed by governments acting alone or isolated, not even the most powerful of them. This is why some authors see the future of the UN as a provider of “global public goods”. This concept, according to the World Bank “is still in the developing stage by academics, researchers and policy analysts”. I am not sure we need a new term, which would require proper definition and a comprehensive political debate, to spell out an agenda that has already been agreed in different declarations and legal instruments.

The UN development system should, to use language borrow from climate discussions, assist developing countries in their adaptation to a global environment that currently severely constrains their political space to deliver on the SDGs. And it needs to provide the “mitigation”, that is the norm setting, the forum to discuss these constrains, and to monitor and review agreed common objectives, including particularly by those that have the greatest responsibilities.

This is a tall transformational agenda for the UN, yes, but then everybody agrees that “business as usual” is no longer an option. Civil society is committed to face this challenge and work together with governments and the UN system to make the transformations happen.

Thank you.