

Eurodad response to the UN Secretary General's Synthesis Report on the Post-2015 Agenda

[Eurodad](#)

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topics: [private finance](#), [debt](#), [tax justice](#), [aid](#), [responsible finance](#)

General issues

Eurodad welcomes the Secretary-General's Synthesis Report and, in particular, the recognition relating to the upcoming conference on Financing for Development in Addis Ababa that “*there are high expectations for concrete outcomes that would finance sustainable development and set the stage for a successful outcome of the COP21 in Paris*

”. The Secretary-General also stresses the need for countries to “*scale up ambition and enhance specificity to meet the demands of the new agenda*” and underlines that it “*will fall upon [Member States] to set an agreed and ambitious course for sustainable development financing beyond 2015*”.

It is important to keep in mind that the report is a synthesis, which generally summarises the progress made until now and outlines some options for the road ahead. What it does not do is provide a proposal for what the Post-2015 and Financing for Development processes should deliver as concrete final outcomes. In that sense, it provides a floor for the future negotiations rather than a ceiling and, as the Secretary-General underlines, it is now up to the governments to inject ambition into the negotiations and provide concrete proposals for the outcome documents.

Specific issues

Tax

The report underlines the need for governments to consider an intergovernmental body on tax matters under the auspices of the UN

(para 115)

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Currently, global tax standards are being developed by bodies such as the G20 and OECD, from which the vast majority of the world's developing countries are excluded. While an intergovernmental UN body on tax matters is the logical solution to this problem, **it has not recently been spelled out clearly and Eurodad welcomes this important step forward**

. The next steps must now be to spell out a strong mandate for the body and provide the necessary resources to ensure the effectiveness of its work.

Private finance

The synthesis report acknowledges that blended finance “*must not replace or compromise state responsibilities for delivering on social needs*” and that “

it is important to ensure that these arrangements are subject to safeguards to verify that they contribute to sustainable development

” (para 108). However,

blended finance entails many risks that should be clearly spell out. These were better captured in the UN Secretary-General's recent

report

to the Development Cooperation Forum

wherein he said:

“Leveraging and blending public and private financing should be guided by development effectiveness principles to prevent drawbacks such as lack of clarity about additionality and purpose; limited influence of donors and recipients on investment design and implementation; diminished transparency and accountability; risk of misalignment of private sector and country priorities; danger of increased debt burden; inattention to small- and medium-sized enterprises; the opportunity cost incurred when use of public money to mobilize private resources does not have the same or a larger development impact than if it had been devoted directly to a developmental purpose; and the risks of misappropriation.”

ODA

The report

recognises that developed countries do not only need to fulfil their previous commitment to provide 0.7% of GNI as official development assistance (ODA) but that concrete timetables are needed

to ensure that the target will be reached in a timely manner (para 98). However, the report **fails to recognise**

the fact that past experience has shown

that these timetables must be binding

The Secretary-General also hints at the inadequacies of the

OECD leading work on ODA reporting

, saying instead that it should take place “

in an open and transparent forum with the widest possible participation of donor and recipient countries and other relevant stakeholders

” (para 99). While the report points at the need for more effective development cooperation (para 93), it covers only selective areas of the

aid effectiveness

agenda, and omits to address existing commitments to use recipient country systems as the default option, untie aid, and ensure predictability.

Vague references to using ODA to

“leverage”

other finance (para 90) are somewhat worrying, especially due to the lack of clarity on the meaning of “leverage”, which sometimes refers to private finance, sometimes to domestic resources mobilisation (as in para 98). The former is controversial (see above under Private finance).

Debt

It comes as a surprise that the report does not mention that the UN General Assembly has initiated a very important process to develop a multilateral legal framework for sovereign debt restructurings by September 2015

. Instead, the report mentions that an “

informal forum on sovereign debt

” could be established (116). Such a forum cannot solve most of the debt-related problems faced by countries such as predatory vulture funds’ lawsuits. A multilateral legal framework for sovereign debt restructuring should be an essential pillar of the Post-2015 Global Partnership, and it is crucial that governments focus on agreeing this framework by September 2015 as planned.

Checklist

The list below refers to the CSO Position Paper [‘UN Financing for Development negotiations: What outcomes should be agreed in Addis Ababa in 2015?’](#)

Issue

Synthesis Report

Mobilizing domestic financial resources

New
intergovernmental body
on international cooperation in tax matters

Yes – recommended (para 115)

Comprehensive
mandate
for the new intergovernmental tax body

Not included

Foreign direct investment and other international private flows

Recognition of
capital account regulation
as a fundamental policy tool and the need to remove
obstacles to these policies

Not included

Spell out the significant problems with using public
institutions and resources to
leverage
international private finance

Partly included (para 108)

International trade

Review of all
trade agreements and investment treaties
to identify all areas where they limit developing countries'
ability to handle crises, regulate capital flows, protect
livelihoods and decent jobs, enforce fair taxation, deliver
essential public services and ensure sustainable
development

The report acknowledges the need to
remedy policy incoherence between
trade, finance, and investment on the
one hand, and labour rights, the
environment, human rights, equality, and
sustainability on the other (para 95).
However, no concrete proposal for a
review is included

A review of all
intellectual property rights regimes
to identify adverse impacts

While the need to ensure that IPR
regimes support sustainable
development is mentioned (para 126),
no concrete proposal for a review is
included

ODA and other international public support for development

Binding timetables
to meet commitments to provide 0.7% of GNI as ODA

While timetables are included, “binding”
is not (para 98)

Ensure ODA represents
genuine transfers

Not included

Implement a
levy on financial transactions
and use the revenue to finance sustainable development

While the issue is mentioned, no
concrete proposal for implementation is
included (para 112)

External debt

Reaffirmation of the commitment to agree to a
multilateral legal framework
for sovereign debt restructuring processes in a neutral forum

Not included

Commissioning of independent
debt audits
with commitments to
cancel debt
which is found to be illegitimate

Not included

Systemic issues: effective, inclusive global governance and monetary system reform

Process to establish a

Global Economic Coordination Council
at the UN

Not included

Issuing of
\$250 billion in new Special Drawing Rights
(SDRs) annually, with the majority going to developing countries

While the need to consider more systematic issuance of SDRs is included, no concrete amount is included (para 113)

New approaches to measuring progress that go
beyond GDP
and to include social and environmental well-being and inequality, including gender inequality

While the concept of "beyond GDP" is included (para 135), no concrete proposal is included

UN initiative on
responsible financing standards

Not included

Integration of the
women's rights
agenda into the FfD

Not included

Continuation of the
UN agenda to reform financial regulation and the financial sector

While the issue is mentioned, no concrete proposal for implementation is included (para 114)