



## **Essential questions raised, no meaningful answers provided**

### **CIDSE analysis of the outcome of the UN Millennium Development Goals (MDGs) Summit in New York, 20-22 September 2010**

*“The United States is changing the way we do business”* announced US President Obama at the recently concluded MDG Summit in New York, 20-22 September 2010. *“We need more results orientation”* proclaimed German Chancellor Merkel. *“We are in the 21<sup>st</sup> century, we cannot continue 20<sup>th</sup> century governance”*, noted French President Sarkozy. *“Is the international system of production and trade still conceived in a way that works against poor countries?”* asked Swiss Foreign Affairs Minister Micheline Calmy-Rey.

**Heads of states gathering in New York seemed quite convinced that the current development partnership had to be re-examined if the MDGs were to be achieved by 2015.** CIDSE, its members and partners have repeatedly underlined this issue, which finally seems to have dawned on leaders in their search for the answer to why progress is so poor on MDG achievement. Some of the solutions put on the table, such as the resounding call for the adoption of a Financial Transaction Tax led by France and repeated by Belgium were welcome. Indeed the FTT gained considerable political ground in New York with a declaration calling for the adoption of a FTT jointly issued by France, Belgium, Japan and Spain which they invited all countries to sign.

More concerning were other calls such as that of Chancellor Merkel to developing countries to build ‘market economies,’ without any mention of social safeguards.

**Irrespective, the rhetoric for reinvigoration palpable during the three days of the Summit is not reflected in the Summit’s outcome document** which was unanimously passed by all members of the UN’s General Assembly.

Characterised by inconsistency and incoherence, the lack of attention to systemic causes of poverty and injustice leave the document shallow and its commitments unconvincing. Whilst the document is strong on the need for national ownership and the primary responsibility of developing countries for achievement of the MDG goals, there is a stark lack of recognition of the role played by international and developed country policies (trade, agriculture, finance, development, inadequate regulatory regimes) on the ability of developing countries to do so. Developed country governments have in fact sought to further distance themselves from this responsibility by including language which places the responsibility on developing countries to evaluate the trade-off between national

policy space and international agreements, as if there were a level international playing field. The multiple crises and their impact on progress towards the MDGs are referred to, but nowhere is it acknowledged how or where these crises originated and the fact that they are impacting most severely on those who had no hand in creating them. Language on the urgency of the climate crisis has been watered down compared to earlier drafts, and care has been taken to avoid acknowledgement of the historic responsibility for climate change and the consequent responsibility of developed countries to take the lead in combating climate change. Recommitting to the achievement of the MDGs rings hollow without urgent, ambitious and equitable international action on climate change, and therefore failure to reiterate commitment to achieving a legally binding new agreement under the UN is alarming, and a further slight to those already suffering the impacts.

CIDSE has long emphasised the need for a human rights-based approach to bring about systemic and sustainable change. Whilst we can note language referring to the importance of human rights to achieving the MDGs in the outcome document, this remains superficial unless they are used in the analysis of hunger, poverty, and inequality, and in identifying policy and process solutions. Instead the world's governments have chosen the political expedient option of naming 'quick fixes,' for instance on the treatment of sovereign debt crises, on innovative mechanisms to raise finance for development and a short term injection of funds for agriculture which do not disturb the status quo. Yet, without a fundamental rethink of the structures and relationships that are in place at all levels, which in CIDSE's view constitutes the essence of Goal 8, sustainable development will never be realised.

**The absence of a time-bound, result-oriented accountability framework for the achievement of the MDGs in the outcome document exemplifies this failure.** CIDSE welcomed the inclusion of this very important issue in the early stages of the negotiation of the Summit's outcome document. What survives in the final outcome document is a weak mention that the commitments made by developed and developing countries in relation to the MDGs require mutual accountability (78c). Increasing the participation of all segments of society in decision making processes, and working towards increased transparency and accountable governance are recognised among best practices that could be built on going forward. Therefore, the lack of agreement on a framework that would allow citizens and communities to hold their governments, and beyond this, all development partners, to account for their MDG commitments is inconsistent.

**With regard to specific policy areas:**

## **} Hunger**

Whilst in the outcome document the international community commits to **addressing the root causes of extreme poverty and hunger**, the actions and policy orientations which follow reveal an at best narrow interpretation of these root causes. The document rightly refers to the need to promote national food security strategies that strengthen support for smallholder farmers and contribute to poverty eradication productivity and agricultural growth, and importantly commits to empowering rural women as critical agents for enhancing agricultural and rural development and food security. Support for increased sustainable production, and access to productive assets and to markets are committed to in the document. Whilst this is crucial, CIDSE believes that equally important is supporting association and organisation amongst small scale farmers to improve their position in the value chain and to ensure they are heard in policy-making and implementation processes.

The commitment to promoting a strong enabling environment at all levels for enhancing agricultural production and sustainability in developing countries through supportive economic policies and institutions at the national and international level is vague in the extreme. There is no acknowledgement of the kind of policies, trade, agriculture, energy and investment, that impact negatively on productivity, sustainability, and by extension poverty and food security, and how they need to change. Furthermore, the document indicates a concerning step back from commitments made in 2008 and 2009, and earlier drafts of the outcome document, to increasing investment in agriculture in developing countries. Whereas the first draft of the document included a commitment to increasing short, medium and long-term investment in agriculture and rural development, this has been reduced in the final draft to a commitment only to fulfil commitments made. It refers specifically to the L'Aquila commitments, which are a short term commitment, made up largely of repackaged pledges, far short of commitment to the substantial and sustained increases in investment CIDSE believes are needed to urgently rebuild agricultural and rural development sectors in developing countries after decades of neglect.

Reference to the Right to Food in the section on MDG 1 is lacklustre and last minute despite is repeated calls over the past two years for responses to the food crisis to adopt this approach. Governments are bound to respect, protect and fulfil the Right to Food. Moreover a right to food approach would have facilitated a more effective, holistic analysis of the causes of hunger and identified the role of both national and international actors, their obligations, and the actions needed to significantly reduce extreme hunger as committed to by MDG 1.

The document commits to address environmental challenges to sustainable agricultural production, but fails to acknowledge the role that climate change is playing in exacerbating these problems. CIDSE believes that integrating an ecological perspective in agricultural and rural development policies is crucial for solutions to global hunger and poverty eradication. The majority of the food producers in developing countries are small-scale farmers, who are already suffering the impacts of climate change. Supporting them to adapt their practices to increased floods and droughts and irregular rain patterns is crucial in order to sustain and improve food security and rural incomes. Furthermore, investing in sustainable small-scale agriculture rather than large scale agro-industrial farming can help turn agriculture from being a key contributor to climate change to contributing to mitigation, and can promote sustainable methods of production through reduced use of and dependence on chemical fertilisers and pesticides. These are amongst the findings of the International Assessment of Agricultural Science and Technology for Development<sup>1</sup>.

## } **Innovative mechanisms**

The UN Secretary General's report "Keeping the promise" (April 2010) pointed out that with unfulfilled aid commitments and the lack of reform of the global trade and finance systems, adequacy of resources was the major challenge in achieving development. For CIDSE the response to this challenge was clear: the adoption of a **Financial Transactions Tax (FTT)**. A FTT can tackle some of the crucial destabilising factors in the financial system while generating much needed finance for development and climate change. The failure of the outcome document to include a mention of a FTT is therefore a missed chance. The document limits itself to encouraging the exploration of new innovative mechanisms and strengthening existing ones on a voluntary basis. This sentiment is clearly out of sync with the growing demand across the world and the calls made by many leaders at the Summit itself for the adoption of a FTT.

## } **Domestic mobilization of resources**

The outcome document names the various obstacles in the way of the effective mobilisation of resources domestically. However, there are no clear commitments made to overcome these problems. Even the call for the establishment of an 'Intergovernmental Commission on Tax Matters,' contained in an earlier draft of the document, has disappeared in the final outcome.

North-south cooperation to stop **the flow of money out of developing countries** - money that should be available to these countries to invest in their MDG commitments is now firmly an issue on the development agenda. The EU even made this a central focus of their agenda for the MDG Summit. Ahead of the Summit CIDSE had called all on the EU in particular to seek agreement on stipulations for multinational companies to report on their financial operations on a country-by-

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<sup>1</sup> <http://www.agassessment.org/>.

country basis; to put on public record the beneficial ownership of all companies, trusts and foundations; and to take firm action against tax evaders across borders through judicial and tax cooperation. Yet, business interests have prevailed over development prerogatives resulting in no concrete agreements being made on any of these issues at the Summit.

## } **Financial governance, including sovereign debt, reform**

A little more than a year ago the international community came together to discuss the impact of the financial crisis on developments and discussed the imperative of systemic change to improve global financial governance to **make finance serve the common good**. It therefore seems hardly coherent for the MDG Summit convened a year later to negligibly acknowledge the importance of global financial system reform for MDG achievement.

The outcome document shies away from stressing the need for a radical reform of multilateral financial governance bodies such as the International Monetary Fund and the World Bank, whose legitimacy and effectiveness have long been criticised by communities affected by their policy and advice. The financial crisis has given these institutions a new lease of life without any meaningful reforms being made to strengthen the voice and decision-making power of their greatest users- low income countries- in them.

With regard to sovereign debt, it is significant that the outcome document acknowledges that debt relief and debt financing, along with debt restructuring, are important mechanisms need to help mitigate the adverse impacts of the crisis and stabilise negative macroeconomic developments. Yet, as a document that sets out the road-map to MDG achievement within the next five years, it is hard to decipher why it does not emphasise the importance of debt cancellation and resetting the whole debt sustainability paradigm to enable developing countries to free up resources to invest in their MDG commitments. Additionally, while stating the need to enhance approaches to debt restructuring, the emphasis that restructuring mechanisms must fit into existing frameworks and principles calls into question the value any future restructuring mechanism.

## } **Official Development Assistance (ODA)**

The Outcome document's call to donors to establish rolling indicative time-tables to show how they will reach their ODA commitments is significant. Yet, experience tells us that even timetables have not stopped donors from failing to honour commitments made. Therefore CIDSE underlined the need for donors to announce their willingness to **make their ODA commitments legally binding** at the Summit. This would be the only way that citizens in donor countries and the ultimate beneficiaries of ODA in recipient countries could hold them to account for their commitments.

Beyond this, more far-reaching reform of aid-allocation decision-making processes, the donor-recipient-ultimate beneficiary relationship and accountability framework, the overall coherence of the

aid set-up and the need for a gender-specific approach are essential for the aid delivery system to actually achieve the development impact ODA is intended for. By not acknowledging the importance of dealing with these issues within the MDG agenda, the outcome document has failed in a key area.

## } **The post-2015 development agenda**

**To honour the commitment to achieve the MDGs by 2015 harnessing the political energy and resources remains the priority of the day. Yet with just five years ago for this commitment to expire, the question remains: *what next?***

The outcome document restricts itself to calling for further reflection on this issue in the UN Secretary General's annual MDG reporting. It is disappointing that the Summit missed the opportunity to harness the momentum for governmental accountability set in motion by the MDGs for greater commitments beyond 2015. We hope that the last evaluation of progress in 2013 along with the Development Cooperation Forum and ECOSOC ministerial that have been allocated responsibility for reflecting on a post-2015 framework will provide for a timely, transparent, multi-stakeholder process that translates into an accountable and coherent framework of commitments.

For CIDSE a post-2015 development agenda cannot merely be a second iteration of the MDG framework, limited as it is. Commitments should be framed to take account of the entire body of UN conventions and the values and principles articulated within them. Positive developments in international human rights law which have taken place since the MDGs were agreed such as the agreement on an Optional Protocol to the International Covenant on Economic, Social and Cultural Rights need to be reflected. Recent discussions to reverse and compensate the development impact of Climate Change would have to be integrated. Additionally, the global partnership for development and the systemic approach to development- an important achievement of the UN's Financing for Development process would have to be a cornerstone.

Ten years on from the initial euphoria of the new millennium, leaders at the UN MDG Review Summit called for development to do be done differently. The challenge is for this call to be translated into immediate action alongside deeper and inclusive reflection on a coherent and effective framework for a next generation of development commitments post-2015.



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**CIDSE** is an international alliance of Catholic development agencies. Its members share a common strategy in their efforts to eradicate poverty and establish global justice. CIDSE's advocacy work covers global governance; resources for development; climate justice; food, agriculture & sustainable trade; and business & human rights [www.cidse.org](http://www.cidse.org)

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