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Sustainable Development Goals and Post-2015 Development Agenda

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On 25–27 September at the UN Summit, world leaders will accept Sustainable Development Goals to set up the agenda for development cooperation until 2030. The goals underline the inextricable link between development and climate, downgrade the role of official development assistance at the expense of other financing, and engage new instruments and partners, including the private sector and civil society, in the mobilisation of resources. As a result, the EU will need to step up its support for developing countries for its own security and stability and Poland can recognise the importance of this dimension in its external relations.

From MDGs to SDGs. At the special 70th Session of United Nations General Assembly in New York, almost 200 countries will adopt the document *Transforming our world: the 2030 Agenda for Sustainable Development* that set up Sustainable Development Goals (SDGs) to replace the Millennium Development Goals (MDGs) endorsed in 2000. The MDGs played an important role in mobilising resources and public support in the global fight against poverty and set the direction of international development cooperation for the early 21st century. Although the progress in their implementation was uneven across countries and indicators, in general they had measurable impact on the elimination of poverty and saving the lives of millions of people. Yet, as their timeframe expires in 2015 some tasks were not finished. Hence, in June 2012 at the UN Conference in Rio de Janeiro (Rio+20), negotiations on a new development agenda started and a multi-stakeholder process was concluded in August 2015. At the Third International Conference on Financing for Development in Addis Ababa in July 2015, financial aims and regulations were discussed. Together with the upcoming conference on climate change in Paris, the SDGs will shape the framework for international development for years to come.

The new approach better reflects changes in the international system and is based on the belief that poverty eradication and sustainable development are mutually reinforcing and intrinsically linked. Hence, the SDGs focus on three dimensions: economic, social and environmental. Instead of just eight goals and 21 targets under the MDGs, the new agenda entails 17 goals, 169 targets and 304 indicators. They take in a more holistic view of development and although they continue the focus on the “total elimination of absolute poverty,” they include many diverse aims such as the elimination of hunger (Goal No. 2), quality education (4), gender equality (5), cities (11), oceans (14) and peace and security (16). They are universal in nature and establish global partnerships (Goal 17) in which all countries have shared responsibility and mutual accountability, an attempt to overcome the old donor-beneficiary divides.

The post-2015 agenda brings important changes to the financing of development. In recent years, it has been recognised that assistance alone cannot bring sustainable growth in the Global South and funds other than Official Development Assistance (ODA) play an increasingly important role. For instance when ODA to developing countries reached \$135 billion in 2013, remittances exceeded \$330 billion, and other financial flows were over \$500 billion. It is recognised that a major role for development is played by domestic revenue mobilisation and international cooperation is required to tackle tax evasion and avoidance along with illicit financial flows, including tax havens, and to ensure a transparent, cooperative tax environment. Still, ODA will play a facilitating role, leveraging a generation of other resources and is indispensable, especially in conflict-prone, fragile and least-developed countries where other financial sources are scarce and the risks higher. Nevertheless, this opens wider the doors for closer cooperation with

the private sector and stronger support for the mobilisation of domestic resources and the development of capabilities.

Yet, despite the adoption of the SDGs, development cooperation will continue to face obstacles. The global financial crisis and the austerity measures in Europe and the U.S. meant significant cuts in many countries' ODA budgets. The EU's ODA-to-GNI ratio of 0.42% in 2014 meant it failed to achieve its 2002 commitment to spend 0.7% of GNI on ODA by 2015, and many OECD countries performed much more poorly (U.S.—0.19%; Slovakia—0.08%). The proliferation of donors (emerging powers, private foundations, trust funds, etc.), with many following different standards and norms, made the system more complicated, coordination more difficult and transaction costs higher. In this more crowded development landscape, more closely linking ODA to business and climate policy raises questions about the quality of aid and possible shifts of funds from traditional development cooperation to the climate-change sector. Further, having 17 SDGs with 179 targets may prove to be more difficult to understand and mobilise public support, and harder to evaluate progress than the MDGs. The new agenda downgrades the importance of ODA and risks a further erosion of funds available for support of developing countries. Yet, ODA remains the main global instrument for the redistribution of wealth and prosperity in an increasingly fragmented and less stable world.

The Leadership Role of the EU. The European Union, which spent €58 billion on ODA in 2014, will continue to be the single largest donor of that type and will use aid as a major tool of external relations. The new development agenda largely aligns with the European approach, as expressed in its strategies *Agenda for Change* (2011) and *Decent life for all* (2013). The EU Council Conclusions of December 2014 and May 2015 set out a number of guiding principles for a new global partnership and called for a paradigm shift to a universal, transformative and inclusive agenda incorporating all three dimensions of sustainable development: social, economic and environmental. The EU insisted on active integration of climate-change issues into the post-2015 agenda and seeks to foster a holistic and integrated approach, highlighting synergies and mutual benefits between poverty eradication and sustainable development. The EU also underlines the link between good governance, the rule of law and inclusive societies and implementation of the development agenda. The EU has declared it will step up its policy coherence, coordination and transparency of aid. Moreover, the EU strives to push for strong monitoring, accountability and a review framework as an integral part of the post-2015 agenda.

The EU reaffirmed its collective commitment to achieve the 0.7% ODA/GNI target by 2030 (and the same for Member States that had joined by 2002) and 0.33% for new Member States. EU aid will focus most on fragile and least-developed countries (most in need), while spending 20% of ODA (about €14 billion up to 2020) to address climate-change objectives, and it will involve the private sector and use of innovative financing, such as blending of grants and loans in order to mobilise extra resources for development. It is said it will invest up to €8 billion to help leverage more than €100 billion in blended funds by 2020 and will help boost developing countries' generation of own revenue, tackle tax evasion, tax avoidance and illicit finance by investing €42 million in its Domestic Resource Mobilisation (DRM) programme. The recent inflow of refugees from the Middle East and Africa has brought to the fore the role of assistance for fostering peace and underpins the links between security and development. This makes ODA an even more important tool in dealing with the root causes of migration in the future.

Conclusions: Opportunities and Challenges for Poland. The adoption of the SDGs will prove that development cooperation will remain a crucial element of international relations for years to come. The refugee crisis in Europe shows that effective mechanisms for the redistribution of wealth and enhancement of stability are even more important than ever. At the same time, the closer alignment of ODA with the current global context means development cooperation will be even stronger intertwined with climate-change policy, trade and foreign direct investment, security considerations, and others. The European Union, faced with massive challenges in its neighbourhood, will need to take a more pragmatic and strategic (less altruistic) approach to ODA and focus on those in its vicinity and the most fragile and poorest countries first. If the EU wants to sustain its leadership position, it will need to live up to its commitments regarding ODA, refrain from diverging funds from aid to climate-change efforts and be willing to share not only European values but also knowledge and technology to build a more just and equitable world.

For Poland, which spends the least in terms of ODA to GNI among all the OECD members, development cooperation poses a challenge. To strengthen its visibility, influence and credibility as a donor, Poland must present a reliable plan to increase ODA to at least 0.33% GNI in the coming years. At the same time, the changes in development cooperation offer great opportunities for Poland to integrate better and prioritise assistance in its external relations. In particular, Poland can engage private business more actively in development cooperation, offer large scholarships and training programmes to foster skills development, and focus more on green technologies to align climate and development cooperation policies. Further strengthening of internal coordination would help the government improve the coherence of policy and align ODA with Polish strategic objectives for maximum benefit in a win-win approach. The multiannual strategy of Polish Aid until 2020, adopted recently, offers a good starting point for more strategic use of development assistance.