

# THE “2030 AGENDA” – MORE PRIVATISATION, LESS DEMOCRACY?

## A NEW DIRECTION FOR GLOBAL AND EUROPEAN DEVELOPMENT POLICIES

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The 2030 Agenda sets out the Sustainable Development Goals (SDGs) that were agreed at the 70<sup>th</sup> sitting of the UN General Assembly in New York on 25 September. These SDGs replace the Millennium Development Goals (MDGs) that were agreed in connection with the World Summit in Rio de Janeiro in 2000. These MDGs were made up of eight goals,<sup>1</sup> which focused on combating extreme poverty. They were based on the assumption that people who have to live on less than 1.25 U.S. dollars per day have no chance of survival.<sup>2</sup>

The MDGs were hailed by the international community as a global convention on combating poverty. They were considered to be benchmarks that were easy to communicate to the wider public and whose success or failure would be easy to quantify.<sup>3</sup> However, it soon became clear that the results of the MDGs would be mixed,



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- 1 | The goals are as follows: To eradicate extreme poverty and hunger, to achieve universal primary education, to promote gender equality, to reduce child mortality, to improve maternal health, to combat HIV/AIDS, malaria, and other diseases, to ensure environmental sustainability and to develop a global partnership for development. Cf. United Nations (UN), *Millennium Development Goals and Beyond 2015*, <http://un.org/millenniumgoals> (accessed 10 Jul 2015).
- 2 | Jeffrey D. Sachs, *Investing in Development. A Practical Plan to Achieve the Millennium Development Goals*, UN Millennium Project, 2005, New York, <http://unmillenniumproject.org/documents/overviewEngLowRes.pdf> (accessed 9 Jul 2015).
- 3 | Cf. Sebastian Barnet Fuchs, "Anforderungen an die Post-2015 Agenda: Für mehr politische Mitbestimmung, Gleichheit und Nachhaltigkeit", *Analysen und Argumente*, Konrad-Adenauer-Stiftung, Apr 2014, <http://kas.de/mned-bruessel/de/publications/37426> (accessed 10 Jul 2015).

and they particularly failed to meet expectations in sub-Saharan Africa. This was particularly the case in fragile African countries that were affected by war and conflict, and in the Least Developed Countries (LDCs).<sup>4</sup> The gulf between these groups and other development regions actually increased. However, it is worth taking a closer look at the problems in Africa. The working poor are a case in point. The number of people who earn less than 1.25 U.S. dollars per day has actually gone down, especially in North Africa. There is also evidence of progress in other parts of Africa. Between 2000 and 2013 the number of people in this group as a percentage of the working population fell from 55.8 per cent to 39.2 per cent. But at the same time there was an increase in the number of people working in the informal sector. In North Africa, “only” 35 per cent of people earned less than 1.25 U.S. dollars a day, whereas the total in the rest of Africa was still closer to 78 per cent.<sup>5</sup>

Sebastian Barnet Fuchs believes that one of the reasons for this uneven rate of progress is the fact that some developing nations view the MDGs as a “top-down agenda” and an “OECD product”, as developing nations representatives were not sufficiently involved in their creation.<sup>6</sup> “For some governments, this has occasionally served as a welcome excuse for refusing to submit to a “Western” agenda and for failing to make development efforts in certain areas as called for in the MDGs”, suggests Fuchs.

Another potential problem, according to Fuchs, was the technical nature of the MDGs. They made no mention of democracy, the rule of law or good governance. They were only mentioned in the

- 4 | The Organisation for Economic Co-operation and Development (OECD) works on the assumption that there are 50 fragile states. Cf. OECD, *2015 OECD report on States of Fragility*, “List of fragile states and economies”, <http://oecd.org/dac/governance-peace/conflictandfragility/docs/List%20of%20fragile%20states.pdf> (accessed 10 Jul 2015). “Least Developed Countries” account for less than two per cent of global trade, yet more than 880 million people live in these countries. This is approximately twelve per cent of the world’s population. The list includes 48 countries, of which 34 are in Africa, 13 in Asia and the Pacific Rim and one in Latin America. Cf. UN, “Least Developed Countries: Country resolutions and reports”, [http://un.org/en/development/desa/policy/cdp/ldc2/ldc\\_countries.shtml](http://un.org/en/development/desa/policy/cdp/ldc2/ldc_countries.shtml) (accessed 12 Jul 2015).
- 5 | United Nations Economic Commission for Africa, African Union, African Development Bank and United Nations Development Programme, *MDG Report 2014, Assessing progress in Africa toward the Millennium Development Goals Analysis of the Common African Position on the post-2015 Development Agenda*, Oct 2014, [http://afdb.org/fileadmin/uploads/afdb/Documents/Publications/MDG\\_Report\\_2014\\_11\\_2014.pdf](http://afdb.org/fileadmin/uploads/afdb/Documents/Publications/MDG_Report_2014_11_2014.pdf) (accessed 11 Jul 2015).
- 6 | Cf. Fuchs, n.3.

United Nations Millennium Declaration of 18 September 2000. The goals' lack of a clear commitment to these principles came back to bite them. In many developing countries it led to a lack of transparency, democratic participation and accountability in implementing the MDGs.

However, in spite of these obstacles, the measures inspired by the goals still managed to lift more than 700 million people out of extreme poverty. Part of the reason for this success was the favourable global economic climate during that period. China in particular, together with some developing and emerging economies in Latin America, were enjoying high rates of domestic growth. This allowed them to rapidly meet and in some areas even exceed their targets.<sup>7</sup>

In terms of the post-2015 phase, it was clearly time to tackle the shortcomings in the MDGs in order to promote development in countries that have still made little progress. Global changes have also forced the international community to shift the orientation of the goals for the next 15 years.

## DEMOGRAPHIC SHIFTS AND MIGRATION

The world's population has grown by two billion in the last 25 years. By 2050, there will be more than nine billion people living on the planet. 85 per cent of them will be living in today's developing countries. Half of the population growth will be in Africa. By 2050, a quarter of all people will come from this continent.<sup>8</sup> The fact that population numbers in Europe and China are likely to decline over this period means that we can expect to see an increase in the global movement of migrants. There are currently more than 232 million international migrants. Since 1990, the number in the Global North has risen by 53 million (65 per cent), while in the Global South the number has increased by 24 million (34 per cent).<sup>9</sup>

**As population numbers in Europe and China are likely to decline until 2050, we can expect to see an increase in the global movement of migrants.**

7 | UN, *The Millennium Development Goals Report 2014*, <http://un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf> (accessed 11 Jul 2015).

8 | UN, *Realizing the Future We Want for All. Report to the Secretary-General*, 2012, p. 16 f., [http://un.org/millenniumgoals/pdf/Post\\_2015\\_UNTTreport.pdf](http://un.org/millenniumgoals/pdf/Post_2015_UNTTreport.pdf) (accessed 11 Aug 2015).

9 | UN, Department of Economic and Social Affairs, *World Migration in Figures. A joint contribution by UN-DESA and the OECD to the United Nations High-Level Dialogue on Migration and Development*, 3-4 Oct 2013, <http://oecd.org/els/mig/World-Migration-in-Figures.pdf> (accessed 14 Jul 2015).

## CLIMATE CHANGE AND COP21

The fact of the world's growing population increases the pressure to find ways of using the planet's natural resources sustainably and preventing catastrophic climate change. Expectations are high regarding the 21<sup>st</sup> annual session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), which is due to take place in December 2015 in Paris. Success would be the adoption of a binding agreement to enter into effect in 2020 aimed at preventing global warming exceeding two degrees Celsius. A key element of the agreement is the reduction of CO<sub>2</sub> emissions (mitigation).

**Developing countries are suffering from the negative effects of climate change. Adaptation is essential in order to secure the long-term livelihoods of people in regions that are particularly affected.**

At present, the largest producers of emissions are: China (29 per cent), the USA (15 per cent), the European Union (eleven per cent), India (six per cent) and the Russian Federation (five per cent).<sup>10</sup> In terms of carbon dioxide emissions per capita, the USA comes top with 16.5 tons ahead of China and the EU.<sup>11</sup> However, mitigation alone is not enough to secure an effective agreement. Many developing countries are already suffering from the negative effects of climate change. Adaptation is essential in order to secure the long-term livelihoods of people in regions that are particularly affected by climate change. The global cost would be in the order of 150 billion U.S. dollars per year by 2030, potentially growing to 500 billion U.S. dollars per year by 2050 if emissions continue to grow at their current rate.

## NEW DONOR COUNTRIES / RISE OF THE EMERGING ECONOMIES

In 2010, China became the first country to halve its poverty rate. Today, the country now runs its own projects in developing countries, especially in Africa. Chinese investment there grew from 210 million U.S. dollars in 2000 to 3.17 billion U.S. dollars in

10 | PBL Netherlands Environmental Assessment Agency, *Trends in global CO2 emissions. 2014 Report*, [http://edgar.jrc.ec.europa.eu/news\\_docs/jrc-2014-trends-in-global-co2-emissions-2014-report-93171.pdf](http://edgar.jrc.ec.europa.eu/news_docs/jrc-2014-trends-in-global-co2-emissions-2014-report-93171.pdf) (accessed 11 Jul 2015).

11 | Matt McGrath, "China's per capita carbon emissions overtake EU's", *BBC News*, 21 Sep 2014, <http://bbc.com/news/science-environment-29239194> (accessed 11 Jul 2015).

2011.<sup>12</sup> Beijing's money is welcomed by the rulers of developing countries as, unlike European aid money, it is not linked to conditions and uncomfortable reforms aimed at improving democracy, the rule of law and human rights. In 2015 China set up the Asian Infrastructure Investment Bank (AIIB), of which it is the principle shareholder. As the country is not a member of the OECD, it tends to follow its own rules when it comes to implementing development projects.



Cement factory in Zimbabwe: Especially the autocratically governed countries in Africa welcome Chinese investment, to which no structural conditions are attached. | Source: © Xu Lingui, picture alliance/Photoshot.

Brazil is also taking on a growing role as a donor country for development projects. Unlike China, however, it has been actively involved in development aid projects for decades. But it is only in recent years that it has significantly increased its commitment in this area. This growing interest is almost certainly tied up with Brazil's own successful development. Brazil has been able to meet seven of the eight MDGs, which has given it more room to manoeuvre in terms of its commitment to international development.<sup>13</sup> However, Brazil's overall success at meeting the

12 | Cf. Yun Sun, "China's Aid to Africa: Monster or Messiah?", Brookings East Asia Commentary, No. 75, Feb 2014, <http://brookings.edu/research/opinions/2014/02/07-china-aid-to-africa-sun> (accessed 10 Jul 2015).

13 | Cf. Overseas Development Institute, "Brazil: an emerging aid player. Lessons on emerging donors, and South-South and trilateral cooperation", *ODI Briefing Paper*, Oct 2010, <http://odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6295.pdf> (accessed 10 Jul 2015).

MDGs is partly cosmetic. It has indeed reduced extreme poverty within its borders, but it still needs to improve its performance in terms of providing sanitary facilities for people in the slums, and make efforts to continue reducing the number of people who live in them. But despite these caveats, most observers agree that the country has made progress in terms of development.<sup>14</sup>

In light of this progress, it is perhaps hardly surprising that Brazil, China and other developing and emerging countries have demanded greater involvement in formulating the 2030 Agenda. But they take a very different view when it comes to who should fund this development, each believing this remains the responsibility of the “developed North”.

### CRISES AND CONFLICTS

**While most developing countries have improved their results in the Human Development Index since 2000, progress amongst the fragile states has been modest at best.**

According to the OECD, the fragile states have had the worst results when it comes to achieving the targets set out in the MDGs. While most developing countries

have improved their results in the Human Development Index since 2000, progress amongst the fragile states has been modest at best. U.S. Aid is of the opinion that extreme poverty will be concentrated in these particular countries for the next two decades. Development in these countries is very dependent on international development aid, and the chronic instability of these countries makes it unlikely that things will change in the near future. Other sources of finance such as direct investment do not play a significant role, unless the fragile states happen to have mineral or other natural resources. This last point goes some way to explaining why Angola, Chad and Rwanda were among the top ten countries with the fastest growing economies between 2001 and 2010. All three countries belong to the group known as the Least Developed Countries (LDCs). In spite of their high growth rates, they are a long way from overcoming poverty and hunger within their borders.

What is clear from the above is that the consequences of migration, climate change, war and conflict around the world require a global partnership between developing, emerging and developed

14 | Cf. “The world’s next great leap forward, towards the end of poverty”, *The Economist*, 1 Jul 2013, <http://economist.com/news/leaders/21578665-nearly-1-billion-people-have-been-taken-out-extreme-poverty-20-years-world-should-aim> (accessed 4 Sep 2015).

nations that takes into account the rise of China, Brazil and other countries of the Global South, but also recognises the growing interdependence of policy areas such as climate, development, energy and security. We will now look at the extent to which the foundations for such a cooperation have been laid during the negotiations on the SDGs and which precepts are likely to play a leading role in the future 2030 Agenda.

### **DEMOCRACY – A LEITMOTIF FOR THE SDGs?**

Drawing up the SDGs presented an opportunity to make democracy their leitmotif. Civil society called for a “holistic and inclusive approach” to the 2030 Agenda, and highlighted the need for good governance and respect for human rights to play a key role. Non-governmental organisations also demanded more involvement in the negotiating process of the UN General Assembly’s Open Working Group (OWG), which was tasked with drawing up a first draft of the SDGs. The basic direction was set as part of the Rio+20 UN Conference on Sustainable Development in the summer of 2012 and in light of the adoption of the document “The Future We Want”. The UN’s member states agreed to involve relevant development policy actors in the process, so non-governmental organisations and civil society representatives were invited to take part in consultations. The UN General Secretary also appointed representatives from civil society, the private sector and governments to the High Level Panel (HLP) to advise on the 2030 Agenda. Finally, NGO representatives and other development policy actors were allowed to give feedback on the Synthesis Report of the Secretary-General on the 2030 Agenda in advance of its publication in December 2014.

**Non-governmental organisations frequently demand more involvement in work of the UN.**

This openness and transparency paid off. The group produced a report that was even welcomed by non-governmental actors. On 2 June 2014, the UN published the group’s “Zero Draft” and on 10 September 2014 the members of the UN General Assembly adopted the Report of the Open Working Group on SDGs as the “main basis for incorporating the SDGs into the post-2015 Development Agenda”. The group recommended 17 goals and 169 targets, in this way going far beyond the original MDGs. But the number of goals was not the only change. All the Sustainable Development Goals, as the name suggests, are based on a principle of sustainability that cuts across all political, social, economic

and environmental policy spheres. The importance of this principle is displayed in the fact that the word “sustainability” is mentioned 100 times in the draft document. In comparison, the term “human rights” only appears three times, while<sup>15</sup> “democratic” does even worse, with just a single mention in the preamble.<sup>16</sup> And yet, while sustainability is clearly the focus of the document, the actual meaning of the concept remains somewhat vague and its connection to democracy is very much on the sidelines. This lack of a clear definition adds to the confusion about what sustainability really means.



Ecological growing of vegetables in Vietnam: Especially in agriculture, sustainability plays an increasingly important role. | Source: © Christoph Mohr, picture alliance/Christoph Mohr.

This is in part due to the fact that not everybody sees things the same way. Democratically governed member states believe that democratic reforms are essential if sustainable development is to be achieved, while autocratic governments naturally see things somewhat differently. It is therefore hardly surprising that serious disagreements arose at various times during the negotiations, such as during the formulation of Goal 16. This calls for the promotion of peaceful and inclusive societies for sustainable development and the establishment of effective, accountable and inclusive

15 | Cf. UN, *Open Working Group Proposal for Sustainable Development Goals*, <https://sustainabledevelopment.un.org/content/documents/1579SDGs%20Proposal.pdf> (accessed 9 Jul 2015).

16 | Ibid.



institutions at all levels.<sup>17</sup> China expressed specific reservations about this particular goal. According to Beijing, the goal touches on security policy issues that are the sole responsibility of the UN Security Council. However, this argument sounds somewhat forced and designed to hide Beijing's fears that Western democracies, and the USA in particular, could use this goal as a pretext to interfere in China's internal affairs.<sup>18</sup> The fact that China eventually dropped its opposition to the wording of the goal is thought to be down to its growing presence in Africa and it now appears to be showing a growing interest in security policy cooperation outside of the UN Security Council.<sup>19</sup> The UN admitted that "although the majority of States have backed an agenda for sustainable peace, the inclusion and framing of SDG 16 on peaceful and inclusive societies remains sensitive for some Member States".<sup>20</sup>

The EU was also unhappy with the formulation of this particular goal. It felt that it was necessary to find a clear and unambiguous formulation, as fundamental values were at stake. They called for two separate goals: one aimed at the creation of stable and peaceful societies and another focused on good governance, the rule of law and the creation of transparent and accountable institutions.

The EU has stuck to this particular line throughout the 2030 Agenda process, as can be seen in numerous EU strategy papers on the 2030 Agenda. The Commission, for its part, stressed in its communication of February 2015 that the global partnership "needs to be based on human rights, good governance, rule of law, support for democratic institutions, inclusiveness, non-discrimination, and gender equality".<sup>21</sup>

17 | Ibid.

18 | Cf. Jennifer Constantine, "Understanding the Rising Powers' contribution to the Sustainable Development Goals", Institute of Development Studies, Brighton, Mar 2015, <http://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/5970/RRB9%20Final%20revised%20online.pdf?sequence=8> (accessed 16 Jul 2015).

19 | Ibid.

20 | Larry Attree, "Goal 16 – Ensuring Peace in the Post-2015 Framework: Adoption, Implementation and Monitoring", *UN Chronicle*, Ausgabe LI No. 4 2014, <http://unchronicle.un.org/article/goal-16-ensuring-peace-post-2015-framework-adoption-implementation-and-monitoring> (accessed 30 Aug 2015).

21 | Europäische Kommission, *Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions. A Global Partnership for Poverty Eradication and Sustainable Development after 2015*, 5 Feb 2015, COM(2015) 44 final, p. 3 f., [https://ec.europa.eu/europeaid/sites/devco/files/com-2015-44-final-5-2-2015\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/com-2015-44-final-5-2-2015_en.pdf) (accessed 13 Jul 2015).

However, the UN Group did not go so far as to accept the EU call for two separate goals. This failure served to highlight the main problem with the SDGs. Transparent and accountable institutions are inextricably bound up with the principles of democracy and yet the word “democratic” does not appear in any of the goals. The goals therefore lack a clear political commitment to democracy, which, in the opinion of democratically governed member states, is a prerequisite for “genuine” sustainability.

### UNIVERSALITY AND SHARED RESPONSIBILITY

The principle of universality was reintroduced into the 2030 Agenda. In his December 2014 report “The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet”, UN Secretary-General Ban-Ki Moon defined the concept as follows:

“Universality implies that all countries will need to change, each with its own approach, but each with a sense of the global common good. Universality is the core attribute of human rights and intergenerational justice. It compels us to think in terms of shared responsibilities for a shared future. It demands policy coherence. Universality embodies a new global partnership for sustainable development in the spirit of the Charter of the United Nations.”<sup>22</sup>

**China, India and Brazil suspect an attempt by the richer nations to reduce their financial contributions to development cooperation. And, indeed, there appears to be some evidence for this.**

While this sounds good in principle, China, India and Brazil were not especially enthusiastic about this particular definition. They took the reference to the idea of shared responsibility in the definition to be a veiled

attempt by the richer nations to reduce their financial contributions to development cooperation projects. And indeed there did appear to be some evidence for this. Many donor countries had failed to achieve the target set out in the MDGs of increasing ODA (official development assistance) to 0.7 per cent of gross national product (GNP). This included some EU member states. And while the European Commission called on the “black sheep” states to fulfil their obligations, many countries’ contributions fell short of the agreed target. Those countries badly affected by the Eurozone crisis, such as Ireland, Spain and Portugal, actually reduced their contributions. Great Britain, for its part, only managed to achieve

22 | UN, “The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet Synthesis report of the Secretary-General”, Synthesis report of the Secretary-General, Dec 2014, p. 11, <http://un.org/en/development/desa/publications/files/2015/01/SynthesisReportENG.pdf> (accessed 15 Jul 2015).

the 0.7 per cent mark relatively recently, while Germany's ODA currently stands at 0.41 per cent. And yet total EU ODA as a percentage of gross national product (GNP) remains, as before, at a constant of 0.42 per cent. This is due to the fact that Denmark, Luxembourg and Sweden have exceeded the 0.7 per cent mark and so have helped to plug the gap to some extent.<sup>23</sup>

For the EU, there are two main issues surrounding the principle of universality. Firstly, it believes that the development agenda must be tied into its "Europe 2020" growth and development strategy.<sup>24</sup> This ten-year strategy plan incorporates key targets agreed between the EU and its member states in the areas of innovation, the digital economy, employment, youth, industrial policy and poverty reduction. Secondly, the EU feels it needs to get to grips with its own commitment to the concept of Policy Coherence for Development (PCD). The aim of this concept is to try to align goals covering areas such as trade, finance, agriculture and climate protection with EU development goals in order to establish principles for cooperation with developing countries that go beyond aid.<sup>25</sup> According to Heiner Janus, Stephan Klingebiel and Sebastian Paulo, the aim of policy coherence "when formulated negatively, is simply to design policies in such a way that they do not damage existing development goals ('do no harm'). When formulated positively, the PCD concept aims to achieve cooperation between all political policy areas for the benefit of these development goals".<sup>26</sup>

Policy coherence in development work is now the main thrust of European development policy. The principle formed a part of the European Consensus on Development in 2006 and has been consistently built upon since then – most recently within the framework of the Treaty of Lisbon. For this reason, the EU campaigned strongly for the integration of the principle of policy coherence for development during the OWG draft negotiations.

23 | Cf. European Commission, "European Commission calls for renewed commitments to reach targets on official development assistance", press release, 8 Apr 2015, [http://europa.eu/rapid/press-release\\_IP-15-4747\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4747_en.htm) (accessed 18 Jul 2015).

24 | Cf. European Commission, "Europa 2020 im Überblick. Prioritäten", [http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index\\_de.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index_de.htm) (accessed 18 Jul 2015).

25 | Cf. Heiner Janus/Stephan Klingebiel/Sebastian Paulo, *Beyond Aid. Konzeptionelle Überlegungen zum Wandel der Entwicklungszusammenarbeit*, German Development Institute, discussion paper, 18/2013, [http://www.die-gdi.de/uploads/media/DP\\_18.2013.pdf](http://www.die-gdi.de/uploads/media/DP_18.2013.pdf) (accessed 20 Aug 2015).

26 | Ibid.

The main motivating factor for the EU was its trading relations. Brussels and the EU member states are important, or even the most important, trading partners for some developing countries. Neven Mimica, European Commissioner for International Cooperation and Development, praised the fact that the EU has given many developing countries free access to the European market, resulting in exports from Least Developed Countries (LDCs) of more than 35 billion euros per year, for example.<sup>27</sup> However, organisations such as CONCORD are less impressed by figures like these. They accuse the EU of sabotaging their own noble goals during trade negotiations with developing countries by signing treaties and agreements that only serve to further reinforce existing economic monostructures in these countries.<sup>28</sup>

### ODA FUNDING VERSUS PRIVATE CAPITAL

At 58 billion euros, the EU and its member states continue to be the world's largest donors of development aid. According to Development Commissioner Neven Mimica, the facts speak for themselves. It is clear that the EU has to continue with its pledge to commit 0.7 per cent of gross national product (GNP) to ODA, and he has called on other countries to follow the EU's example.<sup>29</sup> But the focus on official development aid detracts from the debate on how to reform financing for development. Over recent years there has been much debate about new instruments and sources of finance. These include private sector investment, loans and funding via public-private partnerships. The UN estimates that financing needs for sustainable development projects will stretch not just to billions, but to trillions. The World Bank and other financial

**There is much debate about new sources of finance. The UN estimates that future financing will stretch not just to billions, but to trillions.**

27 | Cf. European Commission, "Third International Conference on Financing for Development – Plenary session (Addis Ababa, 14/07/2015)", speech by Commissioner for Development Neven Mimica at the third international conference on financing for development in Adis Abeba, 14 Jul 2014, [http://ec.europa.eu/commission/2014-2019/mimica/announcements/third-international-conference-financing-development-plenary-session-addis-ababa-14072015\\_en](http://ec.europa.eu/commission/2014-2019/mimica/announcements/third-international-conference-financing-development-plenary-session-addis-ababa-14072015_en) (accessed 24 Aug 2015).

28 | Concord illustrates this thesis with the example of West Africa. Cf. Concord, *The EPA between the EU and West Africa: Who benefits? Coherence of EU Policies for development*, Spotlight Paper 2015, [http://concordeurope.org/images/Spotlight\\_2015-TRADE-EPA-April\\_2015-EN.pdf](http://concordeurope.org/images/Spotlight_2015-TRADE-EPA-April_2015-EN.pdf) (accessed 25 Aug 2015).

29 | Cf. n. 27.

institutions are of the same opinion.<sup>30</sup> They believe this is what it will take to finance sustainable infrastructures for water supply, agriculture, telecommunications, transport and other industrial sectors in all developing countries. So it is clear that official development aid alone will not meet these needs. It seems inevitable that development resources will have to be mobilised through blended finance. The EU believes this new blending method could raise 100 billion euros by 2020. And, in the spirit of the oft-cited desire for more local ownership by developing countries, these nations should also be required to play their part in this respect. They should generate more funding for their own budgets by stepping up their efforts to fight corruption, money laundering and tax evasion and set up more effective administrative structures.



Welfare after the earthquake in Haiti in 2010: Not only the implementation but also the financing of development aid projects shall be increasingly shifted towards the private sector in the future. | Source: © Florian Kopp, picture alliance/Westend61.

These ideas were addressed at the UN conference held in Addis Ababa in July 2015. Under the banner of “Financing for Development”, a number of initiatives were adopted on how to build

30 | Cf. Development Committee of the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries), *From Billions to Trillions: Transforming Development Finance Post-2015 Financing for Development: Multilateral Development Finance*, The World Bank, 18 Apr 2015, [http://siteresources.worldbank.org/DEVCOMMINT/Documentation/23659446/DC2015-0002\(E\)FinancingforDevelopment.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/23659446/DC2015-0002(E)FinancingforDevelopment.pdf) (accessed 26 Aug 2015).

effective tax systems. It was agreed that regional networks in Latin America, Africa and Asia should help to implement tax reforms effectively, and that in future national, regional and multilateral development banks should give loans running into the billions for expanding infrastructures and supporting small businesses. Finally, the UN member states agreed to support new financing models and partnerships in order to close funding gaps in the areas of food security and health care provision.

**Civil society organisations are particularly sceptical about involving the private sector in development policy.**

But not everyone was happy with the outcome of the summit. The UN and EU claimed the conference was successful in creating new financing frameworks for the SDGs, but NGO representatives and observers who had been hoping for an expansion of official development aid were disappointed. Civil society organisations were particularly sceptical about involving the private sector in development policy. Winnie Byanyima of Oxfam summed it up, saying: "Today, one in seven people live in poverty and Addis was a once-in-a-decade chance to find the resources needed to end this scandal. [...] the Addis action agenda has allowed aid commitments to dry up, and has merely handed over development to the private sector without adequate safeguards."<sup>31</sup>

The EU has made its position clear on the need to increase the role of the private sector in providing finance for development. It sees itself as a pioneer in the way it is mobilising additional funding for sustainable development. It believes the scale of the challenges ahead makes it essential to find new sources of funding. As the main focus of the SDGs is on sustainability, it is important to encourage more active involvement on the part of private actors such as businesses, financial institutions, associations, employers' and employees' organisations in the area of development. This particularly applies in light of the potential for businesses to create inclusive, sustainable growth in developing countries. These actors should not only be sources of finance but also act as partners to governments, non-governmental organisations (NGOs) and donor organisations.<sup>32</sup> What is more, in its Communication of

31 | Cf. Clár Ní Chonghaile, "Addis Ababa outcome: Milestone or millstone for the world's poorest", *The Guardian*, 16 Jul 2015, <http://gu.com/p/4ayat/stw> (accessed 16 Jul 2015).

32 | Cf. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries", -

May 2014, the EU Commission calls for the role of the private sector to be strengthened through the creation of regional facilities for mixed funding (blending) of new instruments in order to meet sustainability goals for the private sector.

However, Brussels also realises that the hope of obtaining large-scale private investment has so far proved to be somewhat unrealistic in many developing countries. Improvements

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to the political and legal framework are a prerequisite for making investments attractive to small and medium-sized businesses in these countries. In concrete terms, this means a functioning state governed by the rule of law, transparent management of public spending, tax reform and competent public administration.<sup>33</sup> From the EU's point of view, this also means the introduction of internationally-agreed rules and guidelines on responsible corporate practices in the areas of human rights, employer law and environmental standards. It remains to be seen how improvements in all these areas can be dovetailed in the countries concerned. Of course civil society organisations, human rights activists and political foundations are working particularly hard on these issues.

## OUTLOOK

At the beginning of August the UN's 193 member states agreed on a 30-page action plan. The delegates are generally pursuing the final proposal produced by the OWG, which sets out 17 goals and 169 targets. As expected, the final proposal does not focus on the principle of democracy.<sup>34</sup> Although Human Rights are more often mentioned in the document, the definition of the sustainability remains vague and to a certain extent is left to the interpretation of individual member states. It remains to be seen how this will play out in countries like China, Venezuela, Saudi Arabia and Iran in terms of how they achieve the goals. But when it comes to implementing the SDGs, their exact wording is not the key issue. Success here depends much more on formulating interim goals, indicators and instruments to measure their progress, or lack of it. Discussions are ongoing in this respect. On 6 March 2015

13 May 2014, COM(2014) 263 final, p. 18, [http://europarl.europa.eu/meetdocs/2014\\_2019/documents/com/com\\_com\(2014\)0263\\_/com\\_com\(2014\)0263\\_de.pdf](http://europarl.europa.eu/meetdocs/2014_2019/documents/com/com_com(2014)0263_/com_com(2014)0263_de.pdf) (accessed 24 Aug 2015).

33 | Ibid.

34 | The word appears only once in both the UN's 11-page declaration and the OWG proposal. Cf. Point 9 in UN, *Transforming our World: The 2030 Agenda for sustainable Development*, <https://sustainabledevelopment.un.org/post2015/transformingourworld> (accessed 5 Oct 2015).

the UN created another expert group with the task of producing, a proposal for global indicators by next year. The latest report by the expert group called for a “data revolution for sustainable development” and technology transfer from developed countries to developing countries, which would include building capacity to capture statistical data and the introduction of a common standard.<sup>35</sup> But there is a long way to go. We cannot expect a simple solution, as the UN group includes member states as well as independent experts, resulting in the all-too-familiar polarity between democratic countries and autocracies.



Chip factory in Erfurt: According to experts, sustainable development aid also requires an encompassing transfer of technology from the developed countries to the developing countries. | Source: © Michael Reichel, picture alliance / dpa.

This polarity is not the only obstacle to the UN’s ability to take effective action. The contrasting reactions to the Addis conference show that the EU’s member states also need to debate the 2030 agenda. Civil society organisations are particularly concerned about involving private investors in developing and emerging countries. They support the EU’s call for international standards, but fear these calls will remain nothing but statements of intent, since there is no chance such goals will be implemented in countries that have been in the grip of corruption for decades. It remains to be seen whether this scenario materialises. Much depends on observing the work of governments and other actors in the countries concerned and informing the public about

35 | Cf. n. 22, p. 13 f.



maladministration in good time. The Konrad-Adenauer-Stiftung can play an important role in this respect, alongside the EU, UN and other international organisations, because it is present in many developing countries and has contacts with many target groups.

But simply analysing the situation on the ground is not enough to ensure the success of the 2030 Agenda. It is also important to get people in the EU's member states more involved in the debate. According to a Eurobarometer survey carried out in 2013, 80 per cent of citizens believe that development aid is important, and 60 per cent would even be prepared to donate more. However, at the same time 50 per cent of respondents admitted they had no idea where the aid goes.<sup>36</sup> Again, the Konrad-Adenauer-Stiftung is relevant in this field. Thanks to its offices in EU member states, it has the appropriate instruments at its disposal to stimulate public dialogue. Clearly there will be many more issues to address. The key questions will not be about practical cooperation, building the administrative capacity to collect statistical data and so on. They will revolve around the extent to which we can use a sustainable development agenda specifically to promote the causes of democracy, human rights and the rule of law.

36 | Cf. European Commission, "EU Development Aid and the Millennium Development Goals", *Special Eurobarometer* 405, Nov 2013, [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_405\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_405_en.pdf) (accessed 24 Aug 2015).