The 10th session of the Expert Mechanism on the Right to Development

Item 5 of the Provisional Agenda
Implementation of the mandate and program of work –
Focused thematic discussion and interactive dialogue
Palais des Nations, Room XXI, Geneva

The Future of International Cooperation

Wednesday 30 October 2024, 15h to 16h30

Introductory remarks
Presented by Mihir Kanade

1. The Expert Mechanism is currently finalizing a thematic study that examines how the normative framework of the right to development can be mainstreamed and operationalized in the different forms of development cooperation practices, focusing on North-South, South-South, and Triangular cooperation, to ensure their effectiveness. The draft of this study is on the webpage of the Expert Mechanism.

2. International development cooperation for realizing human rights and sustainable development is an international legal obligation on States.

3. Through the 62 means of implementation targets incorporated under SDG 17 and the alphabetical targets under the preceding 16 Goals, the 2030 Agenda recognizes a variety of means through which States may cooperate. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda, recognizes that its full implementation is critical for the realization of the SDGs and targets. Financing for development is a broad and multidimensional imperative for achieving sustainable development and includes international cooperation to strengthen domestic resource mobilization in developing countries, full implementation of Official Development Assistance (ODA) commitments by developed countries, assistance to developing countries to attain long-term debt sustainability, and adoption and implementation of investment promotion regimes for least-developed countries. It also includes cooperation to mobilize financial resources for developing countries that are additional to ODA, such as climate-change financing or Aid for Trade.

4. Financing for development is not the only form of cooperation recognized as a means of implementation. Others such as cooperation for access to science, technology and innovation, knowledge sharing, capacity-building to support national plans to implement the Goals, cooperation in trade to enhance exports from developing and least-developed countries and to correct and eliminate trade distortions, support for enhancing capacities for data gathering and monitoring, and encouraging and promoting effective public, public-private and civil society partnerships are also recognized. In addition, the Agenda emphasizes cooperation to enhance policy and institutional coherence for ensuring macroeconomic stability and sustainable development. This essentially requires cooperation by States at regional and international organizations. Many of the alphabetical targets under the first sixteen Goals articulate specific forms of development cooperation for realizing each Goal. In addition to the traditional North-South cooperation, States have also increasingly engaged in South-South and Triangular Cooperation. Such cooperation is not only bilateral or triangular, but also channelled through

regional and multilateral alliances and institutions such as development banks, financial institutions, or trade organizations.

5. The importance of effective international cooperation for development cannot be underscored enough. As the Secretary-General and the High Commissioner for Human Rights have emphasized, "in an interconnected world, no community or country could resolve its challenges alone, with actors in a global community sharing responsibilities". Both the General Assembly, and the Human Rights Council, have emphasized the importance of international cooperation in realizing sustainable development and human rights, including the right to development.

6. Recent reports on international cooperation, unfortunately, paint a bleak picture. The pandemic, accelerated climate change, and ongoing global conflicts have further fast-tracked the derailment of the 2030 Agenda. As of 2024, around half of the 140 SDG targets deviate from the required path. Alarmingly, 18% indicate stagnation and 17% regression below the 2015 baseline levels. Decades of progress on poverty and hunger have stalled, and in some cases, reversed. Of the 62 means of implementation targets, 49 are off-track, with progress on 10 regressing and 3 stagnating. The current financing gaps for achieving the SDGs for developing countries stands at US$ 4 trillion every year. Global foreign direct investment (FDI) flows in 2023 amounted to $1.33 trillion, a decrease of 2% from 2022. FDI flows to developing countries fell by 7% to $867 billion and declined or stagnated in most regions. About 60% of low-income countries are already experiencing debt distress or are at high risk.

7. A severe lack of financing lies at the core of the current "sustainable development crisis". The Financing for Sustainable Development Report 2024 points out that international development cooperation has been unable to meet rising demands. Bilateral ODA from OECD Development Assistance Committee (DAC) members peaked at $211 billion in 2022. Despite this, DAC donors, on average, have consistently failed to provide the committed 0.7% of their GNI as ODA and 0.15–0.20% of GNI to LDCs. In 2022, ODA was only 0.37% of the aggregate GNI of DAC members. Individually, in 2022, only four donor countries met or exceeded the 0.7% target and only two met or exceeded both targets. There is increasing pressure on concessional financing, with a decline in country programmable aid, as a share of total ODA compared to its peak in 2009. In 2022, bilateral aid by DAC countries to LDCs and sub-Saharan Africa fell by 5.2% and 8.6%, respectively.

In addition to its inadequacy, the aforesaid report highlights serious issues with the effectiveness of development cooperation in general:

- The alignment of development partners with the enablers of development cooperation has been declining. These include a decline in the key factors for improving the quality, effectiveness and impact of international development cooperation viz. the strengthening of country ownership, guided by coherent national development cooperation policies, country results frameworks, development cooperation information systems and national development cooperation forums. Less than half of ODA is channelled through the public sector of recipient developing countries, and only one third in LDCs.

- There are concerns around tying of aid to certain conditions. For instance, more than half of the value of contracts awarded in countries included in the DAC Recommendation continue to go to suppliers in DAC provider countries. Development partners' alignment to partner country priorities and country-owned results frameworks

and country public financial management systems has declined. Sectors to which aid is channelled is often not where the national priorities of the recipient lie.

- Funds increasingly circumvent recipient government budgets, creating a significant coordination challenge for recipient governments.

The overall trends demonstrate the gap between praxis and the internationally agreed principles of effectiveness of development cooperation viz. country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability.

Amidst this, South-South and Triangular cooperation has grown in scope, volume and geographical reach, although they are not comparable with North-South cooperation and support from multilateral development banks. Developing countries have been steadfast that these forms of cooperation are distinct in nature from the traditional and primary forms and cannot substitute them. Indeed, there is a clear distinction in at least one respect – the operational principles of South-South and Triangular cooperation reject conditionalities.[1] They also seek to ensure full respect for national sovereignty, national ownership and independence; partnership among equals; non-interference in domestic affairs; and mutual benefit. Recent reports generally paint a positive picture but considering the diverse nature of practices in these forms of cooperation, also acknowledge that measuring their financial and non-financial dimensions as well as effectiveness are a work in progress.

The SDG Report 2024 notes that "in a landscape of declining international cooperation and rising geopolitical tensions, strengthened global partnerships and enhanced cooperation are urgently needed to address widening financing gaps, reinforce post-pandemic recovery and promote sustainable development, particularly in the LDCs and other vulnerable countries". It is in this context that this Panel will discuss the future of development cooperation. It is evident that the business-as-usual approach currently followed is not one based on international development cooperation as a duty of States. Evidence does not point to the integration of systems that ensure the realization of effectiveness principles. How can this be changed? Can the normative principles of the right to development be systematically operationalized to ensure the effectiveness of development cooperation in the future? Can there be an effectiveness-based approach to development cooperation? To discuss these and other questions, I now turn to our wonderful panel.

[1] *Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation,* A/RES/64/222, 15 December 2009, para 11; *Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation*, A/RES/73/291, 30 April 2019, para 8.