

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

Concept Note

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Introduction

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

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.

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.¹ 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

¹ For instance, Target 3.b contemplates development cooperation through supporting the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries and providing them access to affordable essential medicines and vaccines as per international instruments. Target 10.c requires cooperation to reduce the transaction costs of migrant remittances to less than 3% and eliminate remittance corridors with costs higher than 5%.

triangular, but also channelled through regional and multilateral alliances and institutions such as development banks, financial institutions, or trade organizations.

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.

Recent reports on international cooperation, unfortunately, paint a bleak picture. Many of the SDG targets are off track or regressing, and financing gaps are widening. 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.² (*See additional background information on trends in international development cooperation below*).

Purpose

In this context, this panel aims to explore the future of development cooperation by examining if the normative principles of the right to development can be systematically operationalized to ensure the effectiveness of development cooperation and if there can be an effectiveness-based approach to development cooperation. The discussion will be guided by the following questions.

Guiding questions

1. What are the key challenges to the future of development cooperation and what are their impacts on the objective of realizing the right to development for everyone?
2. What needs to change in current development cooperation practices and how can those changes be ensured? In this context, what role can be played by the normative framework of the right to development – that development is a human right and international development cooperation is a duty of States?
3. What systems can be integrated in practice by cooperation providers and recipients so that ODA allocations and other forms of international development cooperation are aligned with and support recipient country priorities and national sustainable development strategies?
4. What systems guided by the right to development can be integrated in practice to ensure an effectiveness-based approach to development cooperation, bearing in mind the effectiveness principles of country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability?

Annex - Background information on trends in international development cooperation:

Even prior to the COVID-19 pandemic, almost all the development cooperation related targets in the 2030 Agenda had been grossly underrealized. This consequently meant that progress on many SDGs had, in fact, decelerated. The pandemic, accelerated climate change, and ongoing global conflicts have further fast-tracked this downward spiral. As of 2024, around half of the 140 SDG targets deviate

² See: Global Partnership for Effective Development Cooperation, 2011, as reaffirmed in the second High-Level Meeting of the Global Partnership for Effective Development Co-operation, 2016, available at <https://www.effectivecooperation.org/>

from the required path.³ Alarmingly, 18% indicate stagnation and 17% regression below the 2015 baseline levels.⁴ 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.⁵ The current financing gaps for achieving the SDGs for developing countries stands at US\$ 4 trillion every year.⁶ 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.

A severe lack of financing lies at the core of the current “sustainable development crisis”.⁷ 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,⁸ 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:

- Global progress in improving the quality, impact and effectiveness of development cooperation has been mixed since the adoption of the Addis Agenda.
- 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.
- While there has been some progress in untying aid, 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. Three out of every four official financial flow transactions are implemented by other entities (e.g. NGOs, donor government entities and multilateral institutions) and half of these funds bypass recipient country budgets, undermining effectiveness.
- Progress in untying aid has been uneven thereby challenging country ownership and the potential for strengthening local economies by allowing for local procurement. Many countries and key ODA sectors, such as technical cooperation and food aid, remain excluded from untying efforts of DAC members. “Informally tied aid” remains an issue due to high

³ Financing for Sustainable Development Report 2024

⁴ Sustainable Development Goals Report 2024

⁵ Sustainable Development Goals Report 2024, pp.44-45.

⁶ Financing for Sustainable Development Report 2024

⁷ Ibid.

⁸ Country programmable aid is a better measure of adequacy of ODA since it excludes donor refugee costs, humanitarian aid, debt relief and administrative costs.

barriers to entry for developing country suppliers. 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.

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.⁹ 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.¹⁰

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”.

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⁹ *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.

¹⁰ *Financing for Sustainable Development Report 2024*, pp.110-112.