Outsourcing Development?

When: July 10, 2014 - 8:00 AM to 9:30 AM

Where: Room 5 (NLB) – United Nations, New York

A side even titled "Outsourcing Development" took place on July 10, organized by Social Watch, a network of civil society organizations in over 70 countries monitoring their governments commitments on social and gender justice.

Based on the conclusions of the Social Watch report 2014, on "Means and Ends" the event addressed key issues of the current development cooperation debate, such as the "leveraging" of ODA and its redefinition, corporate access to ODA funds and the global financial architecture.

Introducing the debate, Barbara Adams from Social Watch and the Global Policy Forum, said that current conversations about "partnerships" are changing the landscape from the Global Partnership for Development as defined by MDG-8 into one of multiple non transparent and unaccountable loose associations with corporations as main actors.

Jeroen Kwakkenbos, researcher from Eurodad, explained that while ODA is the most scrutinized and transparent financial flow, the idea that these characteristics could be transferred to other flows is "naive". The so-called "leveraging" of ODA to promote foreign investments has no empirical base. The real question is how developing countries can control finances to effectively implement national development goals. The UN Secretary-General's report is balanced in outlining the issues of accountability, additionality and transparency related to "leveraged" private flows, as additionality is difficult to demonstrate and the investors' goal is not development but profit maximization. Even mainstream economists criticize favouring certain firms with public funds as introducing moral hazards.

Roberto Bissio, from Social Watch, explained the findings of the national coalitions included in the report and the dynamics between the "ends" (the agreed goals) and the means to implement them, which is at the core of all development cooperation *debates. In the current conversations, the "ends" are being lowered in such a way that no additional cooperation efforts would be required. The limited poverty definition of $1.25 a day, for example, if transformed into the main goal for 2030 would imply that no transformational change is needed, since current projections indicate that this reduction is what is going to happen anyhow if present trends continue.*

Jens Martens, from Global Policy Forum, explained that more resources are needed but as public coffers are supposedly empty, partnerships are promoted and a specific target on them is included under goal 17 of the current draft on SDGs. He analyzed many of the existing partnerships and how the benchmark of the proposed UN Partnership Facility is to create more than a hundred of them. The problem, he explained, is that this gives undue influence to corporations over the norm-setting and the agenda-setting of the UN, and it even risks damaging the reputation of the UN if it associates with misbehaving actors. Further, it may weaken representative democracy by increasing the power of unelected and unaccountable actors and the provision of public goods might become unstable and unpredictable as it depends more and more from sources that have no long term commitment. The most important proposal by civil society in this regard is to create an accountability framework. A robust HLPF and the DCF could provide a framework in this regard; and the HRC recently decided to establish a working group to create a legally binding instrument on business and human rights. Mandatory guidelines for partnerships and clear conflict of interest policies have to be put in place and, vitally, proper funding for the UN needs to be secured from public sources.