Overview

e Economic and Social Council will hold its Special high-level meeting with the World Bank, International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development on 14 and 15 April at the United Nations Headquar ters, New York. e overall theme of the meeting will be 'Coherence, coordination and cooperation in the context of nancing for sustainable development and the post-2015 development age'nda meeting will be structured around three topics.

A Ministerial segment will be held on the theme:

- 1. World economic situation and prospects.
- e meeting will also feature two informal the

In developing countries and economies in tran sition, the unemployment situation is mixed, with extremely high structural unemployment in North Africa and Western Asia, particularly among youth. By contrast, unemployment rates in Latin America and the Caribbean are at record lows. Still, high rates of informal employment as well as pronounced gender gaps in

there is also a strong consensus that all types of owsgenerally competitive on a risk-adjusted basis. Nonether be necessary, including domestic, international, publics, estimated nancing needs still represent a relatively and private. Public nancing, including ODA and small portion of global savings of around \$17 trillion domestic resource mobilization, along with an approprizo12. us, a strengthened nancing framework that ate policy framework, will remain indispensable. No necentivizes a partial reallocation of savings to nance theless, given the sheer size of nancing needs, it is sless ainable development could have an enormous impact that public resources alone will not be su cient.

In the past, di erent nancing streams were oftenould ask the question of how to create a global nan seen as substitutable, based on the view that moneyals system-including its public, private, domestic, fungible. However, recent analysis, which has focused international components hat incentivizes inves on underlying incentives, has emphasized that diters and other stakeholders to act in the interest of globa ent nancing streams have di erent mandates, charstainable development.

acteristics, goals, and incentive structures and should As recognized by the Intergovernmental Commit be seen as complementary, rather than supplementary of Experts on Sustainable Development Financing For example, private nance will be more e cient that he Monterrey Consensus should form the basis of a suspublic nance in many instances; however, the short nable development nancing strategy. In addition, as term nature of some private ows might add risks that ted in the Doha Declaration on Financing for Devel make these ows inappropriate for certain investments ment, "multiple nancing for development challenges In addition, private nancing is unlikely to be su cientand opportunities have emerged since the Monterrey in areas of public goods and social needs.

Conference, including the impact of the nancial crisis,

Although estimates of the nancing needs for sudditional costs of climate change mitigation and adap tainable development are necessarily imprecise, studies and damage to the Earth's environment." ere conclude, without exception, that needs are extremely e also been changes to the development landscap large. Investment requirements for an energy transition the growth of middle-income countries, as well as respecting agreed climate targets alone are of the order of the role of the private sector. At the trillions of US dollars per year. While part of the needed me time, the nancial crisis has underscored limits investment would ow automatically if energy priceand risks in private sector nancing and the importance were set to fully re ect supply costs and environmen nancial market stability to the real economy. tal damages, there would still be insu cient nancing e underlying premise of the Monterrey Con in many public goods, including nancing the globalensus is that "each country has primary responsibility commond. Similarly, there is insu cient long-term for its own economic and social development" while nancing for critical infrastructure needs, not only inational development e orts need to be supported by an the environmental pillar, but also for social needs, and bling international economic environment." Domes for various economic entities, such as SMEs, which the resource mobilization, the rst chapter of the Monter important means for employment generation in marey Consensus, emphasizes the importance of national countries. An enabling environment and the rule of lawsponsibility. e following chapters on international both emphasized in the Monterrey Consensus, are critivate ows, foreign aid and external debt bring in the cal for long-term investment. Nonetheless, there is additional nancing streams. Chapters on trade and sys rently a shortage of nancing in critical areas eventernic issues (and, to some extent, external debt) focu countries with relatively strong enabling environments the importance of providing a stable international

Despite small (but growing) pockets of social nvironment conducive to growth. conscious investors, private capital remains driven by the ere has been substantial progress in all of these pro t motive. e private sector thus under-invests inareas since the Monterrey agreement was forged. Non public goals because returns on these investments are less, the post-2015 development agenda provides

1 There are a host of market failures, which would likely preclude the ow of nancing. See the United Nation\$Vorld Economic and Social Survey 2011, Chapter 5.

unique opportunity to redouble e orts in each of these areas, as well as to strengthen the nancing strategy to address global development challenges.

Questions for discussion:

- While private for-pro t investors can meet many of the investment needs for sustainable development, some activities are best addressed by Governments, in many cases supported by o cial cooperation. What lessons can be drawn from the experiences and international discussions thus far to boost cooperation e ectiveness and strengthen con dence in the e cacy of increased development cooperation ows?
- What kinds of policies would help incentivize greater private sector nancing of sustainable devel opment? How can public resources more e ectively leverage private sector investments for sustainable devel opment? What can be learned from past experiences and what mechanisms would be most e ective in di erent circumstances?

stakeholders across a range of policy areas. As a **areallity** evelopment landscape is increasingly characted the world has witnessed significant progress in meetized by many dispersed actors and high complexity, its the MDGs. However, progress has been uneven **arrost** important contribution may lie in setting the right un nished business remains. In addition, new-chialcentives for this broad range of actors to facilitate sus lenges have emerged or have become more urgent, tainable development nancing and investment.

For this reason, the post-2015 development agenda A broad sustainable development nancing frame will have to be underpinned by a renewed and strengytork would also address sustainable development in ened global partnership for sustainable development it would also address sustainable development in an integrated manner. It would

grounded on the values of equity, solidarity and human rights, which builds on the strengths of the existing framework, while taking on board the lessons learned, and addressing new challenges. Commitments to policy action will have to be broader than in MDG 8, address ing in an integrated manner the three dimensions of sustainable development. To be e ective, the global partnership will also require a strengthened, robust and inclusive monitoring and accountability mechanism, to monitor progress in implementation of commitments.

e new partnership will need to engage all rel evant stakeholders, galvanizing action at the local, national and global levels. Only a joint e ort, leveraging the strengths of all actors, including civil society, the pri vate sector, local governments, national parliaments and others, will enable the realization of the shared vision embodied in a sustainable development agenda.

e new global partnership will be set out by Member States of the United Nations. At its heart, then, it will de ne a compact of commitments to policy actions by Member States. At the same time, the global partnership needs to provide space and exibility for engagement with a much broader range of actors. In the quest to achieve sustainable development goals, multistakeholder implementing partnerships can engage and bring to the table all relevant stakeholders for a speci c purpose or goal, allowing them to leverage their comparative advantages and respective strengths.

To this end, the global partnership should be embedded in a broad and comprehensive nancing framework for sustainable development. Such a frame work would contain renewed commitments, while providing guidance to stakeholders in their e ort to contribute to sustainable development. As the nancing