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IPU Statement

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**Parliamentary Forum at the
Second High Level Meeting of
the GPEDC
Nairobi, 29 November 2016**

This is our third time together on the occasion of the High-Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC). We were at the birthplace of the Partnership in Busan, in 2011, and then in Mexico, in 2014.

The common thread of all these meetings comes down to a simple question:

How can developing countries chart their own course toward that point we call “development”, however defined, where people can live free from want and from fear, and with an equal opportunity to pursue their dreams?

The Global Partnership for Effective Development Cooperation provides an important part of the answer. A more comprehensive answer came about last year with the adoption of the 2030 Agenda and its 17 Sustainable Development Goals. This is the most ambitious and transformative international agenda ever. It says that in just fifteen years we must have eradicated poverty in all its forms and at the same time secured the sustainability of the planet.

The annual cost of the SDGs is estimated in the order of trillions of dollars. A lot of this money needs to be invested in developed countries; but much more needs to be invested in developing countries that are starting from way behind. The ways and means, and the actual commitments of development cooperation, must be adapted to this new challenge.

I believe there is a consensus that development cooperation is no longer just about traditional aid in which a donor helps foot the bill of public service or infrastructure projects. Development cooperation today amounts to an effort by which all stakeholders – governments, parliaments, donor agencies, civil society, private sector, local authority and others – work together to mobilize all available resources for development, from domestic and international taxes, to foreign investments, remittances, among others.

While traditional aid must continue to support essential needs, aid in the form of capacity building, technical assistance and even policy advice that partners will agree to abide by, can also be used *catalytically* to create the conditions in which these other financing flows can be made to work to the advantage of developing countries.

To be clear: taxes, foreign investments, remittances and trade earnings are not in themselves a kind of aid. But when the banking industry agrees to cooperate with governments and donor agencies to lower transaction fees under a given percentage point; when the extractive industry agrees under a joint framework to disclose its revenue at the source; when a donor agency helps a government figure out whether a proposed

private-public partnership is a good or bad deal; when aid goes to help a country sell more of its goods abroad, and so on – that's where *development cooperation* broadly defined comes into play.

Having said this, allow me to make the point that the original aid effectiveness agenda, which sought more and better aid, needs to be implemented fully. It should not be left aside while we pursue these other efforts. In fact, I would argue that fixing aid and all related structures, processes and institutions can help us deliver on the entire development cooperation agenda.

Fulfilling the commitment to 0.7% of GNI would generate an additional \$130 billion a year that some of the poorest countries represented in this room desperately need to provide health and education to their people. Putting more aid on budget so that parliament can exercise oversight of it remains absolutely key. Having an aid policy in place in which all partners agree to hold each other accountable for their commitments is just as critical to making aid more effective.

Development cooperation can only succeed in making a difference if all other economic, social and environmental policies are designed *coherently* to achieve the same effect.

By some estimates (EURODAD), for every dollar that developing countries receive from the developed world, they end up losing two dollars in debt servicing, illicit flows, and other such transfers to the rest of the world. These numbers tell us we are far from achieving the policy coherence that we need.

I worry that some countries are trying to become less aid dependent they are borrowing more from private markets and a higher premium, which may result in a new kind of vulnerability. I also worry that a lot of public money is being invested in private-public partnerships that may end up costing more to tax payers or imposing higher fees on consumers than if the services had been provided directly by the government.

Development cooperation must guard against all these dangers and help promote policy coherence across the board.

As a member of the Global Partnership and its Steering Committee, IPU is doing its part to raise awareness of these issues and to facilitate action on the ground. IPU's advocacy during the negotiations of the HLM outcome document has resulted in some of the strongest language on the role of parliaments and on donors' commitments to parliaments ever. I am very proud of this achievement.

I am also very proud of IPU's work to win a strong acknowledgement of the role of parliaments in the 2030 Agenda, including a clear commitment to inclusive, transparent and accountable institutions in Goal 16 of the SDGs, the so-called governance goal.

I hope this forum and the high level meeting starting tomorrow will help you better understand the many issues that form the development cooperation agenda today. It takes a real effort and dedication. Above all, I hope you will return home determined to work with your colleagues and other partners to bring this agenda to fruition.

I am confident that if we all do our part we will succeed.

Thank you.