



**Group of Fifteen
The Summit Level Group of Developing Countries**

Outcome Document

**G 15 - South Centre symposium focuses on 'economic pillar' of
The Post- 2015 Development Agenda**

The year 2015 is considered as a milestone in human development with the United Nations scheduled to endorse the future global development framework that will succeed the Millennium Development Goals (MDG's) formulated in the year 2000. The Group of Fifteen (G-15)¹ and the South Centre continues to actively engage with International Organisations tasked with the negotiations and implementation of the Post-2015 Development Agenda. Having realised the necessity to build capacity and solidarity among developing countries as the Development Agenda takes shape, the Group of Fifteen has endeavoured to take a leading role in enhancing dialogue with the numerous stakeholders involved in the process.

The second in a series of symposia organised by the G-15 and the South Centre on the '*Post-2015 Development Agenda through the Perspective of Geneva based International Organisations*' was held on 29th May 2015 under the Chair of Ambassador Ravinatha Aryasinha, the Permanent Representative of Sri Lanka to the UN in Geneva. This interactive consultation allowed countries of the Global South to have a comprehensive dialogue with Geneva based International Organisations on the negotiations and implementation of the Post 2015 Development Agenda. The Meeting focused on the 'economic pillar' of the Development Agenda and addressed key areas such as macroeconomic policies, Finance for Development (FfD), Trade, Debt and Investments. Experts from the World Trade Organization (WTO), United Nations Conference on Trade

¹ Established as a Summit Level Group of developing countries in 1989, following the conclusion of the Ninth Non-Aligned Summit gathering in Belgrade, the G-15 comprises 17 developing countries from Asia, Africa and Latin America and the Caribbean (Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Malaysia, Mexico, Nigeria, Senegal, Sri Lanka, Venezuela and Zimbabwe). The aims and objectives of the Group are to harness the latent potential of the member states for mutually beneficial cooperation, besides serving as a forum for the conduct of regular consultations in pursuance of their common agenda.

and Development (UNCTAD), World Intellectual Property Organisation (WIPO) and the South Centre addressed the gathering. Ambassadors and delegates from Geneva based Missions of the G-15 and G-77 and China participated in this event.

The series of symposia are organised by the Group of Fifteen as a follow-up to an initiative launched in November 2014 with the South Centre on the theme '*The state of play of the Post-2015 Development Agenda and potential opportunities for the Global South*' on a mandate given by the Foreign Ministers of the G-15 at their last meeting in New York in September, 2014 where the importance of the Group playing a prominent role in shaping the Post-2015 Development Agenda through South-South coordination was underscored. The first symposium of the series was held on 30th April, 2015 and focused on the 'social pillar' of the Development Agenda. This symposium addressed the aspects of the DA pertaining to Health, Education, Food Security, Migration, Labour, Gender and Poverty & Inequality and was addressed by representatives of WHO, ILO, IOM, UNDP, FAO and UNESCO.

In his opening remarks Ambassador Ravinatha Aryasinha noted that it is imperative that countries of the Global South be actively engaged in the process of negotiating and implementing the Post-2015 Development Agenda which would ensure that developing countries would accrue its intended benefits while minimising its risks. He observed that it is vital for developing countries to understand the nuances, challenges and opportunities presented in the Development Agenda. Ambassador Aryasinha further added "as the Global South addresses the many challenges ahead, I believe it is vital that we are steeped in reality, rather than be eventually disappointed by unrealistic expectations. To this end, this series is not only important to discuss the numerous avenues of convergence, but to be also frank about the many issues of divergence when dealing with the Development Agenda." He noted that the timing of the series of symposia will particularly benefit the national, regional and multilateral processes that are preparing for the upcoming Third International Conference on Finance for Development in Addis Ababa in July 2015. Further the draft zero of the outcome document for the UN Summit on the Post-2015 Development Agenda which is expected within the month of June will also add value to the on-going discussions.

Dr. Yilmaz Akyüz, Chief Economist of the **South Centre** gave a comprehensive overview of the macroeconomic policies and the *current challenges facing the Global South in*

achieving financial and monetary stability. He highlighted the dangers to the developing world due to the “boom-bust” cycles that have become frequent. Dr. Akyüz presented a detailed analysis of the issue of economic inequality and poverty noting that this was not only a social problem but a macro-economic problem. He further noted that with regard to fiscal integration the “pendulum may have swung too far” making developing countries vulnerable to changing monetary and financial policies in developed countries. “Developed countries do not consider the impact of their economic policies on developing countries” he noted, adding that developing countries should seek strategic rather than full integration into the global economy, preferably much closer in trade than in the financial arena.

Mr. Richard Kozul-Wright, Director, Division on Globalization and Development Strategies of UNCTAD presented a comprehensive overview of *the negotiations on the Finance for Development process* that is now in motion. He noted that there is a convergence of the three multilateral processes that are currently happening with regard to the Sustainable Development Goals (SDGs) and the Development Agenda, Finance for Development and the climate negotiations. He however noted that there are concerns within this convergence particularly around losing site of the systemic issues discussed under the FfD agenda, adding that from the perspective of UNCTAD multilateral cooperation is essential to ensure a productive outcome in all these processes. Speaking of the divergence of the processes Mr. Kozul-Wright noted that “the Development Agenda should be a forward looking process that sets ambitious targets while the FfD process needs to also look back at the recent financial crisis in order to set the future policies and appropriate reforms in an informed manner taking actions against economic downturns.”

Prof. Yuefen Li, Special Advisor on Economics and Development Finance of the **South Centre** speaking on *the issue of debt* noted that developing countries are particularly vulnerable due to increasing debt, especially debt that does not generate income. “Developing countries are facing a cocktail of challenges due to low growth, high debt levels; especially in dollar denominated debt, stronger dollar and low commodity prices” she noted. She warned that the current debt situation of some countries is similar to the periods before debt crises in the recent past. Prof. Li emphasized that debt restructuring could only be part of the solution and that other systemic issues of the world economy need to be addressed along with sovereign debt restructuring. Highlighting the need for

international debt workout mechanisms she noted that “a debt crisis is a financial tsunami that could easily wipe out 5-10 percent of GDP of a country.

Mr. Hans-Peter Werner, Head of the Committee on Trade and Development (CTD) Unit of the **WTO**, addressed the *issues pertaining to trade in the Post 2015 Development Agenda*. He noted that even though trade is not one of the Sustainable Development Goals (SDGs), trade is treated as an enabler or a means of implementation in the SDGs and can serve as an engine for development. While the duty-free, quota -free initiative to provide LDCs with much improved market access opportunities is important, the challenges for LDCs to also produce for export markets should be addressed. While many more developing countries are now participating in trade, there is still much room for improvement to assist LDCs with their capacity to engage in trade. In regard to the current multilateral trade negotiations, Mr. Werner said that the Doha Development Round of negotiations was at a critical stage and that many issues were still under discussion, including agricultural subsidies, market access and domestic support issues, trade in industrial products, trade in services as well as other trade rules. Mr. Werner said a successful conclusion of the Doha Development Round could help make a substantial contribution to achieving the SDGs, especially in the effort to reduce and eradicate the worst forms of poverty and to tackle environmental issues.

Mr. James Zhan, Director of the Investment and Enterprise Division, **UNCTAD**, discussed the *investment aspects of the Development Agenda*. He assessed the need for financing SDG sectors in developing countries. In this regard he noted that gaps need to be filled with both public and private investments. Furthermore, Mr. Zhan stressed the importance to balance the need for attractive risk-return rates for investment with the need for accessible and affordable goods and services for the vulnerable segments of the populations. “When opening SDG sectors such as education, health, public services it needs to be ensured that service delivery reaches the poor” Mr. Zhan emphasised. He further noted that “there needs to be a new generation of strategies and policies to promote and facilitate investment in the SDGs”, adding that contrary to conventional thinking there are sound investment opportunities in the developing world for private financing.

Ms. Kinda Mohamadieh, Researcher at the **South Centre**, spoke on issues pertaining to trade and *investment in the context of the Post-2015 Development Agenda and Financing for Development (FfD)*. With regard to the forthcoming Addis Ababa conference on FfD, she gave a brief outline of selected salient points that are incorporated in the draft text for the FfD conference that was released in early May. She noted that the draft text recognizes the responsibility of governments to align business incentives with sustainable development, including to foster long term investment and promote the quality of investment, and the need for government policies to strengthen positive spillovers from Foreign Direct Investment - FDI (such as knowledge and technology transfer, including through establishing linkages with domestic suppliers). She commented that this requires designing trade and investment rules, and reviewing existing rules, so as to ensure they are consistent with the objectives of industrial development and technological progress, pro-actively address the specific constraints faced by developing countries, and allow policy space in developing countries in pursuit of such national objectives.

Ms. Mohamadieh noted that development-focused trade and investment policies and agreements are essential for a Post-2015 development framework that could deliver on economic concerns such as industrialization and building productive capacity, technological development, and reduction of inequalities. In this regard, a successful Post - 2015 Development Agenda and FfD process requires reasserting and fulfilling the development dimension of the WTO negotiations, including through operationalising the special and differential treatment elements in each negotiating area under the Doha Work Programme and strengthening the special and differential treatment provisions in the WTO Agreements. It also requires a review of investment protection rules under international investment treaties and free trade agreements, so as to address the serious constraints these rules left on policy space and tools essential to enhance the contribution of FDI to the pace and pattern of industrialization.

Mr. Joe Bradley, The Deputy Director, External Relations Division of **WIPO**, noted that *technology and innovation* have an important role to play in economic development, especially in the Global South. In this regard he explained numerous initiatives taken by WIPO to enhance knowledge sharing. Capacity building activities aimed at building national innovation systems and the creation of the Global Innovation Index are some of the efforts taken by WIPO to enhance technology transfer and innovation. An initiative

called WIPO Green has made over 2000 Green Technologies available for licensing through partnerships with technology owners. WIPO also contributes to the work of the UNFCCC on the development and dissemination of climate technologies that envisions addressing some of the environmental challenges through innovative technologies.

In an interactive session the participants probed the panellists on the risks, challenges and opportunities when going forward with the Development Agenda. In addition the respective roles of the Geneva based international organisations, particularly at the implementation of the Development Agenda were discussed. In particular the necessity to conclude the Doha Round of negotiations at the WTO was accepted by the panellists and the participants. There was however a divergence of opinion on the current status of negotiations and what could be harnessed from the Doha Round. It was noted that operationalizing the elements of 'Special and Differential Treatment' and ensuring the incorporation and strengthening of the SDT concept in WTO Agreements to make them 'precise and effective' is important. It was also hoped that these issues would be raised in Nairobi when Trade Ministers meet in December.

The interactive discussions between the Geneva based international Organisations and the missions of the Global South are expected to add value to the negotiations that are currently underway in New York to finalize the Development Agenda. In addition they would assist in the preparatory discussions prior to the FfD Conference in Addis Ababa and the WTO Ministerial Conference in Nairobi. This initiative is also expected to provide context and depth to the national programmes of action of the respective countries for the implementation of the same.

The final symposium of the series will address the environment pillar of the Development Agenda and is scheduled for the last week of June, 2015. The symposia organized by the Group of Fifteen with the collaboration of the South Centre has provided a useful fora for both the International Organisations and Geneva based Missions to have a constructive dialogue on the Post- 2015 Development Agenda which would contribute to the success of this important multilateral process.

**The Secretariat of Group Fifteen:
Geneva
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